City of Spokane, Washington
Annual Comprehensive Financial Report
For the fiscal year ended December 31, 2025



CITY OF SPOKANE, WASHINGTON

FINANCE DEPARTMENT

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2025



Report Prepared By:

Finance Department

Matt Boston, CFO

Accounting Department

Josh Lipps, Director of Accounting
Christi Baird, CPA, Chief Accountant

A special thank you to the City's accounting staff for their assistance in compiling this report.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2025

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Introductory Section

LETTER OF TRANSMITTAL

September 25, 2026

To the Honorable Mayor, Members of the City Council and City of Spokane Citizens
City of Spokane
808 W Spokane Falls Blvd.
Spokane, Washington 99201

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Spokane (the "City") for the fiscal year ended December 31, 2025. The report has been prepared by the City's Finance Division in accordance with applicable accounting and financial reporting requirements and is intended to provide the City Council, residents, taxpayers, investors, and other interested parties with reliable information regarding the City's financial condition and results of operations.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The State Auditor has issued an unmodified ("clean") opinion on the City of Spokane's financial statements for the fiscal year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it. We encourage readers to refer to the Management's Discussion and Analysis section of the report for a more complete overview and analysis of the City's financial activities.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The required supplementary information, combining and individual fund financial statements, additional supplementary information and the statistical section complete the Annual Comprehensive Financial Report.

The City is required to undergo an independent, annual single audit in conformity with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller

General of the United States, and provisions of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this independent, single audit, including a schedule of expenditures of federal awards, the State Auditor's Office reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, if any, are included in a separately issued report.

Profile of the City of Spokane

The City of Spokane, as the county seat, is the largest City in Spokane County. It is the second largest city in Washington State, and is the largest city between Seattle, Washington and Minneapolis, Minnesota. Spokane is the metropolitan center of the Inland Northwest in eastern Washington. It is located on the Spokane River, 92 miles south of the Canadian border and 20 miles west of the Idaho border. Spokane is situated east of the Cascade Range and on the western slope of the Coeur d'Alene Mountains near Idaho. As of April 1, 2025 (Office of Financial Management), the City's population was estimated at 234,700, 41.5 percent of the county's population.

The name Spokane is derived from the Spokane Tribe and means "Children of the Sun" in Salishan. Spokane's nickname is the "Lilac City", named after the flowers that have flourished in the area since the early 20th century. The Spokane area is an outdoor lover's paradise with four distinct seasons. There is a multitude of recreational opportunities available locally including skiing, boating, fishing, cycling, golfing, whitewater rafting, and hiking. The City's Riverfront Park, along with the spectacular Spokane Falls, is situated in the heart of downtown.

Spokane County was created by an act passed by the Territorial Assembly in 1858. The City of Spokane was incorporated November 29, 1881. After settlement in the 1870s, Spokane became the hub in the inland Northwest for mining, timber and railroad activities. Today, Spokane serves as the medical, business, transportation, industrial and cultural hub of the region, as well as Western Montana, North Idaho, Northeast Oregon, Southern British Columbia, and Southern Alberta.

Fairchild Air Force Base is the county's largest employer. In addition, manufacturing has had a solid base due to the nexus of the Bonneville dam power generation, rail systems and the Interstate highway system. Spokane is competitive with other urban centers in attracting national and international investment in the form of tourism and conventions, the military and research. These investments in turn support the creation and expansion of still other complementary businesses, creating a well-rounded and diversified economy.

Spokane is the largest healthcare, health sciences and medical education hub from Seattle to Minneapolis, and Calgary to Salt Lake City, and provides services to a population of over 1.0 million. With over 4,000 health-related businesses, Spokane has companies in Health IT,

pharmaceutical manufacturing, biological products, surgical and medical instruments, medical laboratories and software development.

Government Structure

The City is governed by a Mayor-Council or "strong mayor" form of government. The change to the Strong Mayor form took place in January 2001, after 40 years under a Council-Manager form of government. The Mayor is the head of the executive branch, similar to the governor's role at the state level and the President's role at the federal level. The City Administrator, meanwhile, serves in the capacity of the City's Chief Operating Officer.

The other key elected members in our government are the seven members of the City Council, who make up the legislative branch and three Municipal Court Judges who represent the judicial branch of the City's government. The council members consist of a Council President at-large and two representatives for each of three districts.

Elected leadership is stable with the City's current Mayor, Lisa Brown, currently serving in her first term and City Council President Betsy Wilkerson, likewise serving her first term.

Types of Service Provided and Reporting Entity

Various City Departments provide a full range of services including police and fire protection, libraries, municipal court, parks and recreation, public works and utilities, solid waste management, streets, wastewater management, water distribution, and many others.

The accompanying report includes all funds and subsidiary accounts of the primary government that the City of Spokane has legally defined.

Budget and Planning Cycle

On June 24, 2024, the City Council adopted an ordinance establishing a two-year biennial budget. The City adopts a biennium budget or a mid-biennium modified budget every year. By law, the Mayor must propose the budget, and the City Council must adopt a statutorily balanced budget no later than December 31.

The budget process serves as the foundation for the City of Spokane's financial planning and control. The Mayor presents the proposed line-item budget to the Council for review in the fourth quarter. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of Spokane's fiscal year.

In addition to the operational budget, each year the City adopts by ordinance a 6-year Citywide Capital Improvement Program (CIP). The 2026 – 2031 plan adopted in 2025 provides for $1.3 billion in citywide capital expenditures.

The operational budget, when paired with the 6-year capital budget, presents a complete view of the City's direction and implementation of citizen priorities. The legal level of budgetary control is at the fund level.

Relevant Financial Policies

The City strives to adhere to the following budget principles, which have been adopted by both the Administration and City Council, while meeting constituent expectations:

1) Match General Fund expenditures to current year revenue
2) Don't pay for on-going expenses with one-time money
3) Maintain prudent budget reserves
4) Maintain strict controls on hiring and spending
5) Fund the highest priority City services first
6) Use six-year forecast and comprehensive capital planning model as foundation for all future budget discussions

In addition to these principles, the City has established General Fund reserves, including both an expense Contingency Reserve Account and a Revenue Stabilization Account. The Spokane Municipal Code outlines the targeted funding levels for both of these reserve accounts at 10% and 3.5% of General Fund expenditures and revenues, respectively, and sets forth the requirements for disbursements therefrom. In 2025 these reserves are funded at 79% of target.

The City's available General Fund fund balance, including reserves and unassigned fund balance, stands at $38.0 million, 15.4% of actual 2025 General Fund expenditures.

Revenue Limitation

State law allows the City to levy a regular property tax rate up to $3.60 per $1,000 of assessed property value annually. Regardless of changes in assessed valuation, the growth rate of property tax collections is limited to 1% per year plus amounts due on new construction. In no event may the annual regular levy exceed the $3.60 per $1,000 of assessed value rate limit. During 2025 it was $2.21 per $1,000 of assessed value. This includes two voter-approved increases (one for Library Services and one for Street Maintenance/Construction) in excess of the annual 1% statutory limitation.

Economic Outlook

The City's financial position during the fiscal year was influenced by inflation and other cost-increasing factors such as increased healthcare claims by the employee base. The regional economy experienced a mixed bag of economic factors with unemployment remaining stable, inflation increasing and taxable sales falling flat.

Employment is a key indicator of the region's economic health. The table below shows the County's fourth quarter unemployment rate is averaging around 4.75% which is expected as the Spokane area is a seasonal place. Higher employment is seen in the spring and summer months.

According to Spokane Trends, at the end of 2025, approximately 20% of the population in Spokane County is at retirement age. The region's economic growth may be constrained by a shrinking labor force.

Spokane County Civilian Labor Force - Unemployment Statistics				
	Spokane County Civilian Labor Force Employment	Spokane County Unemployment Rate	Washington State Unemployment Rate	United States Unemployment Rate
2025 Q4	287,800	5.10%	5.60%	4.40%
2024 Q4	279,075	4.70%	4.80%	4.00%
2023 Q4	277,638	5.20%	4.60%	3.70%
2022 Q4	276,970	4.80%	4.50%	3.50%
2021 Q4	274,089	3.90%	4.50%	3.90%
	Source: Washington State Employment Security Department-seasonally adjusted			
		US Department of Labor-Bureau of Labor Statistics		

Inflation has been challenging for the entire country since the pandemic. The Spokane area, and the City itself, is not immune from the higher costs. Everything from purchasing fire trucks to hiring consultants has been more expensive. It is becoming increasingly difficult to absorb these price increases.

	West Region - Size B/C, CPI-U	
Date	**Consumer Price Index**	**% Change**
December 2025	199.732	2.8%
December 2024	194.384	2.3%
December 2023	190.095	3.5%
December 2022	183.686	6.3%
December 2021	172.722	

Size B/C includes cities with populations of 2.5 million or less

Source: U.S. Bureau of Labor Statistics

Retail Trade, the City's largest taxable sales category and a key indicator of overall economic activity, did not grow in 2025. Washington State does not participate in income tax, so cities are left to rely on sales & use taxes which are extremely volatile and in down years contribute to operational strain. With prices increasing above and beyond revenue growth, the Spokane region is in a challenging time.

Spokane County Reported Taxable Sales				
	Taxable Retail Trade	% Change	Total Taxable Sales	% Change
2025	7,067,394,260	0.0%	15,217,724,533	0.0%
2024	7,067,394,260	-1.3%	15,217,724,533	1.1%
2023	7,161,573,914	-0.2%	15,045,274,759	2.3%
2022	7,179,408,562	0.5%	14,707,782,536	5.5%
2021	7,142,228,357		13,936,012,956	
	Source: WA State Department of Revenue			

Locally was much the same with increased property values, but sales & use tax growing only minimally.

The table below shows the City's assessed property values and new construction over the last five years. During the pandemic, the Assessor's Office was not resourced enough to meet the workload requirements, but by 2023 they caught up and that is why you'll see a large increase in that year. Since then, growth has been nominal and due to the State restriction of only 1% growth in property tax year-over-year, the City has been relying on new construction for increased revenue.

City of Spokane Assessed Property Values				
Tax Year	**Citywide Assessed Value**	**% Change**	**New Construction**	**% Change**
2025	35,246,740,817	0.7%	338,392,163	1.9%
2024	35,011,799,812	3.8%	332,234,025	-7.0%
2023	33,733,593,486	28.7%	357,299,797	33.3%
2022	26,207,570,285	9.5%	268,096,973	7.9%
2021	23,928,457,792		248,460,467	

Source: Spokane County Assessor, Annual Reports

In looking at the City's sales & use tax revenue, you'll find it has only been growing by about 1% annually since 2022. In 2025, a voter-approved 0.1% public safety sales tax finally increased revenue beyond 1% with the proceeds going to public safety departments.

City of Spokane, Citywide Sales Tax Revenue								
Year	**Local Retail Sales & Use Tax**	**Public Safety (County)**	**Public Safety (City)**	**Criminal Justice (County)**	**Housing-Related Services**	**Hotel/Motel Tax**	**Other Sales & Use Taxes**	**Total**
2025	64,828,810	3,535,703	4,522,616	6,139,175	7,608,419	5,264,604	822,907	**92,722,235**
2024	64,190,735	3,459,062	-	6,033,642	7,559,071	5,232,718	855,694	**87,330,922**
2023	63,528,378	3,414,105	-	5,977,275	7,484,089	5,260,014	986,561	**86,650,422**
2022	62,765,915	3,364,307	-	5,906,562	7,338,284	5,271,188	1,073,809	**85,720,065**
2021	59,737,384	3,195,996	-	5,650,518	3,670,219	3,701,968	1,040,415	**76,996,500**

Source: City of Spokane Financial Management System (FMS)

Looking ahead, the City expects inflation, federal grant policy changes, collective bargaining agreements, and recovering from the Spokane Complex Fires will be our major challenges. Management will continue to monitor these conditions and adjust financial strategies and resource allocation as appropriate.

Major Initiatives and Accomplishments

During the November 2025 Spokane County general election, the Parks division successfully passed a voter-approved levy lid lift that will allow the division to make significant capital and programmatic improvements. Together with Spokane Public Schools, Spokanites will soon see updates to educational and recreational infrastructure across the City.

Long-Term Financial Planning

The City maintains a commitment to long-term financial sustainability. Financial planning efforts include biennium budgeting, multi-year financial forecasting, capital improvement planning, reserve policies, and economic forecasting.

The City's adopted financial policies, including the budget, provide a framework for maintaining adequate financial resources while supporting the delivery of essential municipal services and funding necessary capital investments.

Acknowledgements

The preparation of this report would not have been possible without the dedicated efforts of the City Council, City Administrator, department directors, and the staff of the Finance Division. We would like to express our appreciation to all those who contributed to the preparation of this report and to the continued responsible stewardship of the City's financial resources.

Respectfully submitted,

Matthew Boston
Chief Financial Officer

Alex Scott
City Administrator


Residents of Spokane
Executive Mayor L. Brown
Legislative City Council
Judicial Presiding Judge
Library Board
Civil Service Commission
Retirement Board
Police Ombudsman Commission
City Administrator A. Scott
Deputy City Administrator M. Yates
Elected Council Members
City Council Staff
Municipal Court
Library
Civil Service K. Pearson
Retirement C. Shisler
Police Ombudsman B. Logue
City Clerk T. Pfister
Public Defender N. Antush
Hearing Examiner K. Granrath
Community Justice Serivces
City Attorney M. Piccolo
Civil Rights, Equity & Inclusion J. Haynes
Communications & Marketing E. Hut
Community & Economic Development S. MacDonald
Emergency Management S. Nuss
Finance & Administration M. Boston
Fire T. Williams
Human Resources A. Adam
Information Technology L. Martinez
Neighborhood Housing & Human Services D. Kinder
Parks & Recreation G. Jones
Police K. Hall
Public Works M. Fiest
Transportation & Sustainability J. Snyder
Prosecutor's Office
My Spokane 311
City Cable 5
Neighborhood Services
Reprographics
Web Development
Code Enforcement & Parking Services
Development Services Center
Historic Preservation
Planning & Economic Development
Accounting & Grants
Facilities
Fleet Services
Internal Audit
Management & Budget
Project Management Office
Purchasing & Contracts
Risk Management
Taxes & Licensing
Treasury
Administration
EMS
IT
Logistics
Prevention
Operations
Training / Health / Safety
Benefits
Civil Division
Employee Labor Relations
HR Analyst
Personnel Training
Administration & Procurement Support
Application Management
Data Management
GIS
Infrstructure
Information Security
Public Works Technology
Communications
Emergency Sheltering
Grants & Contract Management
Housing Programs
Human Services
Neighborhood Services
Finance & Budgeting
Operations
Park Board
Recreation
Riverfront/ Entertainment
Business Services
Communications
Field Operations
Investigations & Administrations
Professional Accountability
Public Information
Technical Assistance Response Unit
Communications
Engineering Services
Environmental Programs
Integrated Capital Management
Public Works Technology
Solid Waste Collections
Solid Waste Disposal
Streets
Utility Billing
Wastewater
Water & Hydroelectric Services

City Elected Officials

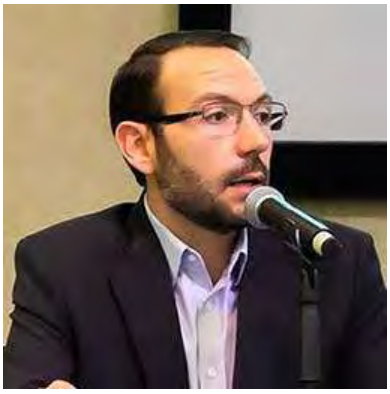
As of December 31, 2025



Mayor
Lisa Brown



City Council President
Betsy Wilkerson



Council Member, District 1
Michael Cathcart



Council Member, District 1
Jonathan Bingle



Council Member, District 2
Paul Dillon



Council Member, District 2
Shelby Lambdin



Council Member, District 3
Zack Zappone



Council Member, District 3
Kitty Klitzke

Elected Official	Position	Term Expiration Date
Lisa Brown	Mayor	December 31, 2027
Betsy Wilkerson	Council President	December 31, 2027
Michael Cathcart	Council Member	December 31, 2027
Jonathan Bingle	Council Member	December 31, 2025
Paul Dillon	Council Member	December 31, 2027
Shelby Lambdin	Council Member	December 31, 2025
Zack Zappone	Council Member	December 31, 2025
Kitty Klitzke	Council Member	December 31, 2027

Appointed Administrative Staff

City Administrator …….Alex Scott

Deputy City Administrator ……..…….Maggie Yates

Chief Financial Officer …….Matt Boston

Policy Advisor ……Adam McDaniel

City Clerk ……...Terri Pfister

Chief Examiner – Civil Service……....Kelsey Myers

Director – Communications & Marketing……Erin Hut

Fire Chief ……Tom Williams

Director – Human Resources ……. Allison Adam

Chief Information and Technology Officer ……Laz Martinez

City Attorney ……..Mike Piccolo

Director – Neighborhood & Housing & Human Services ……....Dawn Kinder

Director of Parks & Recreation ……Garret Jones

Police Chief …….....Kevin Hall

Executive Director – Library…….Andrew Chanse

Director – Public Works…….Marlene Feist

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Financial Section

Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Mayor and City Council
City of Spokane
Spokane, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spokane as of and for the year then ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spokane, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Spokane Employees' Retirement System (SERS), which represents 52%, 65%, and 17%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SERS, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information comprises Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated September 25, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

September 25, 2026

MD&A

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Spokane, Washington (the City)'s annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City as of and for the fiscal year ended December 31, 2025. The December 31, 2024 balances were restated in accordance with GASB standards. See Note 13 for additional information about the restatements. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows by $2.5 billion (net position) for the fiscal year reported.

- Total net position is comprised of the following:

(1) Net investment in capital assets of $2.4 billion includes property, equipment, infrastructure, right-to-use leased assets, and right-to-use subscription assets, net of accumulated depreciation and amortization, and is reduced for outstanding debt related to the purchase, construction or financing of capital assets.
(2) Net position of $175.0 million is restricted by constraints imposed from outside the City such as debt covenants, pensions, grantors, laws, or regulations.
(3) Unrestricted net position of $ (85.7) million is attributable to the city's portion of net pension assets being classified as restricted for pensions as well as restrictions related to grants for governmental activities and increases in net investment in capital assets for business-type activities. The unrestricted net position represents the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported a total ending fund balance of $173.8 million this year, an increase of $3.7 million from the prior year. Revenues increased by $1.2 million overall. Tax revenue increased by $14.4 million. Investment earnings increased by $1.8 million. Intergovernmental revenue, licenses and permits, charges for service, fines and miscellaneous revenues decreased by $15.0 million. Other financing sources decreased by $6.1 million. This last category of funding, which includes sale of assets, and transfers in, contains revenues that are often not normal ongoing revenues, but rather occur only as necessary in any particular year.

Taxes	$ 14.4 million
Licenses & Permits	$ 0.5 million
Intergovernmental	$ (9.6) million
Charges for Service	$ 2.0 million
Fines & Forfeitures	$ 0.1 million
Miscellaneous	$ (8.0) million
Investment earnings	$ 1.8 million
Other Financing Sources	$ (6.1) million

- At the end of the current fiscal year, the fund balance for the General Fund totaled $36.4 million, excluding the non-spendable and restricted categories, which is 13.91% of General Fund expenditures excluding transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements
The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities,* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by property, sales and utility taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, transportation, economic environment, social services, and culture and recreation. Business-type activities include the utility services, golf courses, and the building services funds. The internal service funds provide services to other funds within the City are reported in governmental activities at the government-wide financial reporting level.

The government-wide financial statements are presented on pages 38-39 of this report.

Fund Financial Statements
A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The Schedule of Revenues, Expenditures and Changes in Fund Balance budgetary comparisons (budget to actual) are included in the Required Supplementary Information for the major governmental funds. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 42-45 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City proprietary funds are classified as either enterprise funds or internal service funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. The internal service funds provide services to other funds of the City.

The basic proprietary fund financial statements are presented on pages 46-49 of this report.

Fiduciary funds include four single-employer and 1 multi-employer defined benefit pension plans for City employees as well as various custodial funds. The City reports these funds however they are not available for City use. The fund level financial statements for fiduciary funds are presented on pages 50-51 of this report.

Notes To The Basic Financial Statements
The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 52 of this report.

Financial Analysis of the City as a Whole
Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at fiscal year-end is $2,480.3 million as shown below.

	Governmental Activities		Business-Type Activities		Total	
Summary of Net Position (in thousands)	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	356,855	357,314	132,183	125,041	489,038	482,355
Capital assets	1,664,742	1,674,782	1,142,627	1,117,220	2,807,369	2,792,002
Total assets	2,021,597	2,032,096	1,274,810	1,242,262	3,296,407	3,274,358
DEFERRED OUTFLOWS	93,659	102,035	20,176	28,466	113,835	130,501
LIABILITIES						
Current liabilities	32,334	40,065	12,282	9,656	44,616	49,721
Long term liabilities	485,447	499,160	345,893	355,742	831,340	854,902
Total liabilities	517,781	539,225	358,175	365,398	875,956	904,623
DEFERRED INFLOWS	44,395	52,304	9,570	11,682	53,965	63,986
NET POSITION						
Net investment in capital assets	1,468,731	1,465,527	922,455	837,574	2,391,185	2,303,100
Restricted	174,847	164,084	-	-	174,847	164,084
Unrestricted	(90,498)	(87,008)	4,786	56,074	(85,712)	(30,934)
Total net position	1,553,080	1,542,602	927,240	893,648	2,480,320	2,436,250

The City continues to maintain a healthy current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 9.14 and 10.73 for business type activities. For the City overall, the current ratio is 9.65. We consider these ratios to be very strong.

Governmental Activities
Net position increased by $10.5 million for governmental activities and is attributable to program revenues exceeding expenses.

Business-Type Activities
The $33.6 million increase in business activities' net position is primarily attributable to revenues exceeding expenses in the Water/Sewer fund and an increase in capital assets.

It should be noted that 94.6% of the governmental activities' net position is related to the net investment in capital assets. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has committed 99.5% of its net position on capital. Capital assets in the business-type activities primarily provide utility services, but they also generate revenues for these funds. The net investment in capital assets makes up 96.4% of the City's total net position.

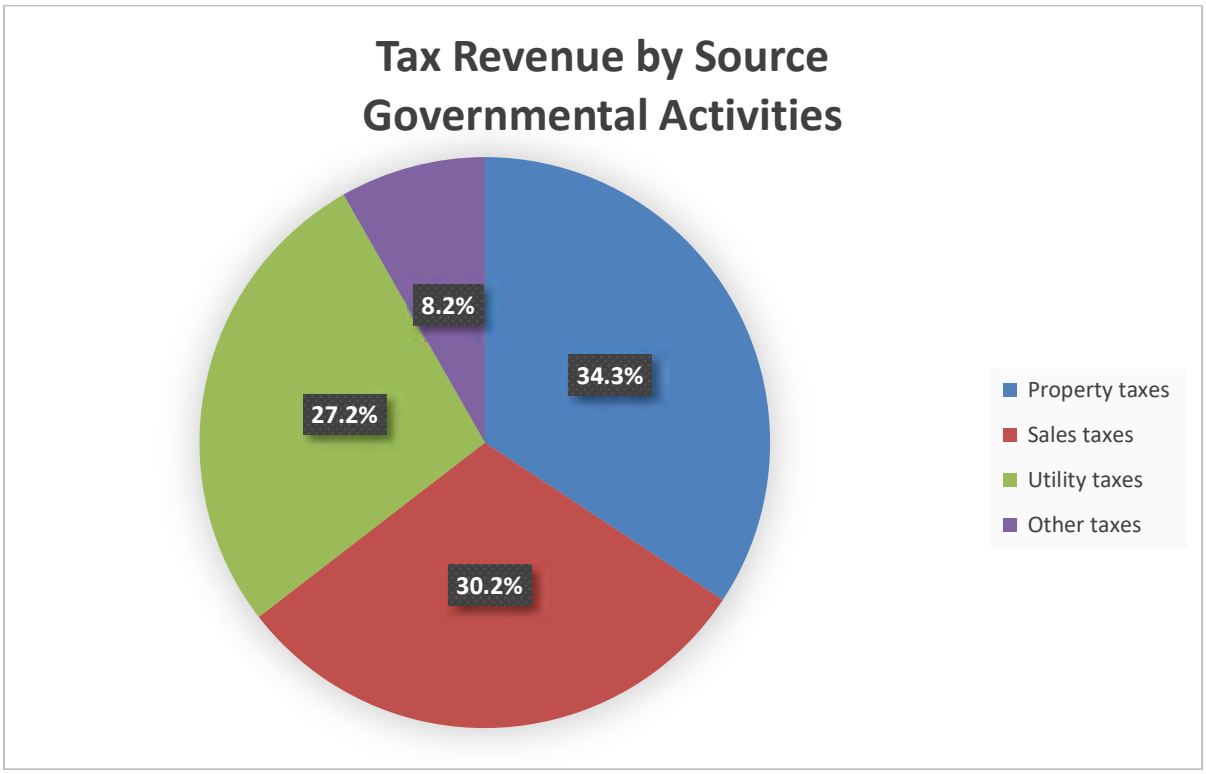
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total	
Change in Net Position (in thousands)	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues						
Charges for services	54,834	53,917	309,652	291,912	364,486	345,829
Operating grants and contributions	49,851	44,703	1,334	1,967	51,186	46,670
Capital grants and contributions	12,684	28,789	34,468	20,616	47,152	49,405
General revenues						
Taxes	306,568	292,364	-	-	306,568	292,364
Miscellaneous	-	-	-	-	-	-
Interest and investment Earnings	11,448	13,032	5,862	1,661	17,309	14,692
Total revenues	435,385	432,804	351,317	316,156	786,702	748,960
EXPENSES						
General government	(6,608)	(18,376)	-	-	(6,608)	(18,376)
Judicial	(7,674)	(7,046)	-	-	(7,674)	(7,046)
Public safety	(209,644)	(202,674)	-	-	(209,644)	(202,674)
Transportation	(75,447)	(80,223)	-	-	(75,447)	(80,223)
Economic environment	(34,842)	(44,556)	-	-	(34,842)	(44,556)
Social services	(31,157)	(24,231)	-	-	(31,157)	(24,231)
Culture and recreation	(53,317)	(54,816)	-	-	(53,317)	(54,816)
Interest on long term debt	(7,335)	(7,659)	-	-	(7,335)	(7,659)
Water/Sewer	-	-	(190,067)	(178,676)	(190,067)	(178,676)
Solid Waste	-	-	(107,201)	(108,371)	(107,201)	(108,371)
Other business activities	-	-	(19,340)	(16,419)	(19,340)	(16,419)
Total expenses	(426,024)	(439,581)	(316,608)	(303,466)	(742,632)	(743,046)
Excess (deficiency) of revenues over expenses before contributions & transfers	9,361	(6,776)	34,709	12,690	44,070	5,914
Transfers	1,117	1,326	(1,117)	(1,326)	0	-
Increase (decrease) in net position	10,478	(5,450)	33,592	11,364	44,070	5,914
Net Position-January 1 (previously stated)	1,535,172	1,566,601	843,802	881,782	2,378,974	2,448,383
Restatement	7,431	(18,549)	49,846	502	57,276	(18,046)
Net Position-January 1 (restated)	1,542,602	1,548,053	893,648	882,284	2,436,250	2,430,337
Net Position-December 31	1,553,080	1,542,602	927,240	893,648	2,480,320	2,436,250

GOVERNMENTAL REVENUES

The City is heavily reliant on three types of taxes to support governmental operations — 70.41% of the governmental activities revenue is derived from taxes. Charges for services represented 12.60% of these revenues, grants and contributions represented 14.36%, and interest earnings made up the remaining 2.63%.

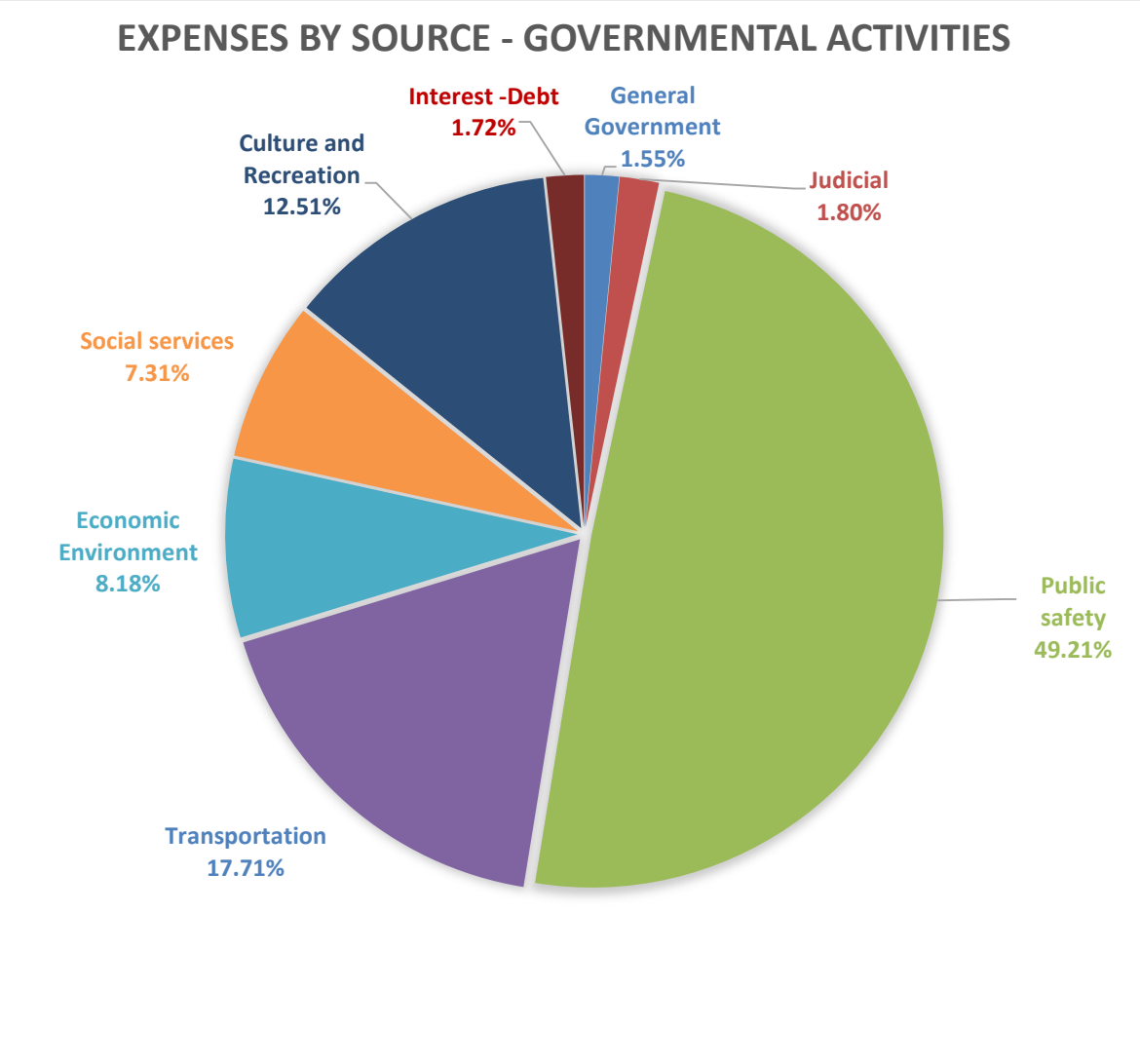
A breakdown of tax revenue is shown below.



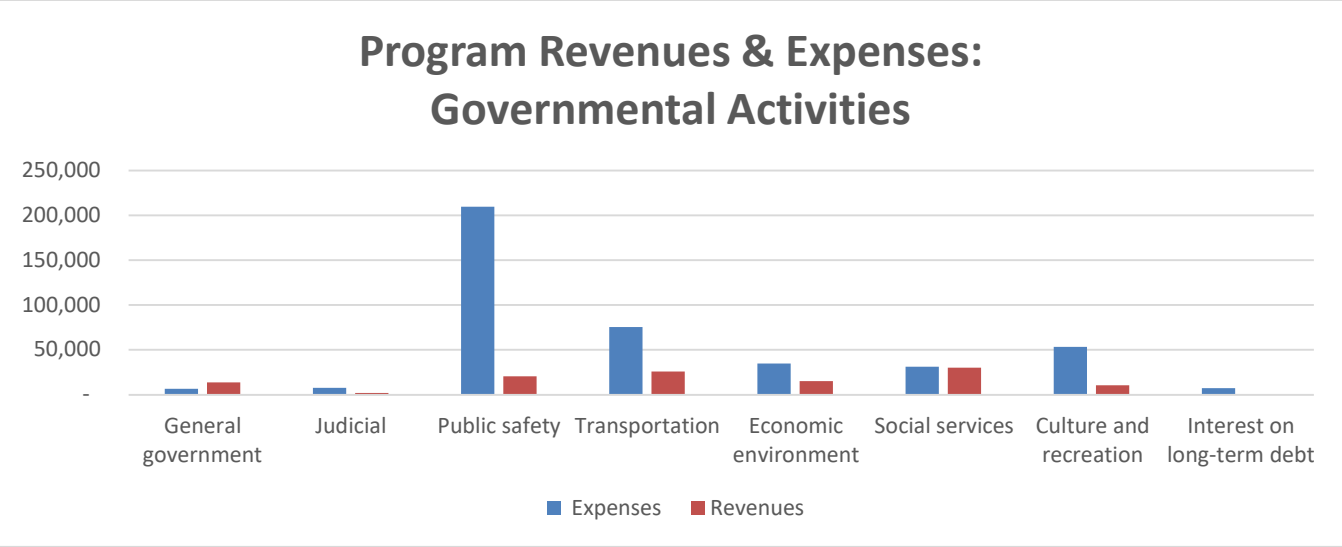
For governmental activities, program revenues cover approximately 27.5% of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues cover 72.5% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety continues to be a major priority of the City followed by transportation (streets) and culture and recreation (parks and libraries). At year-end, the allocation by program function is as follows:



The following chart presents the revenues and expenses of each of the City's programs. This net cost illustrates the financial burden that is placed on the City's taxpayers by each of these functions.

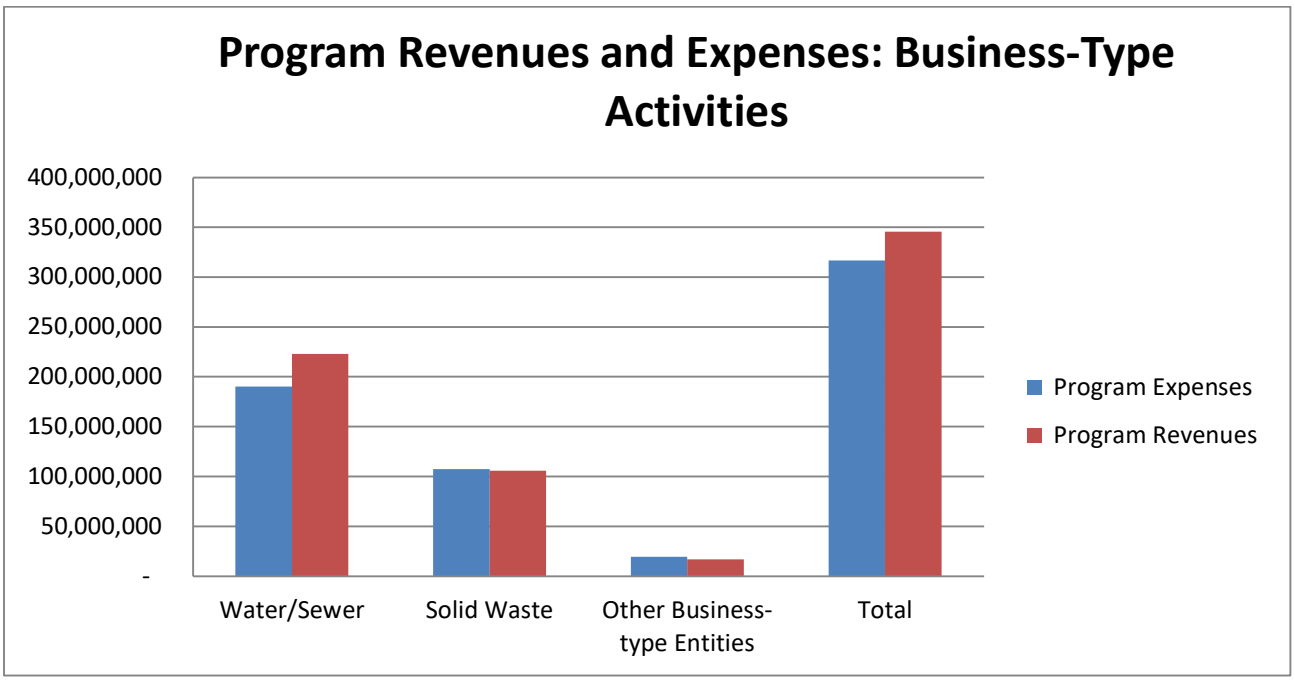


BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

For all enterprise funds, the City reports a current ratio of 10.73, which is a healthy ratio. The business-type activities report capitalized assets of $1,142.6 million, which provide a variety of services to the citizens of Spokane as well as some populations outside the City limits.

The operating revenues for the City's business-type activities increased by $31.0 million or an increase of 9.8% over the prior year while operating expenses increased by $13.1 million or 4.3% over 2024. As a result, net operating income was $28.8 million compared to $11.0 million in 2024.

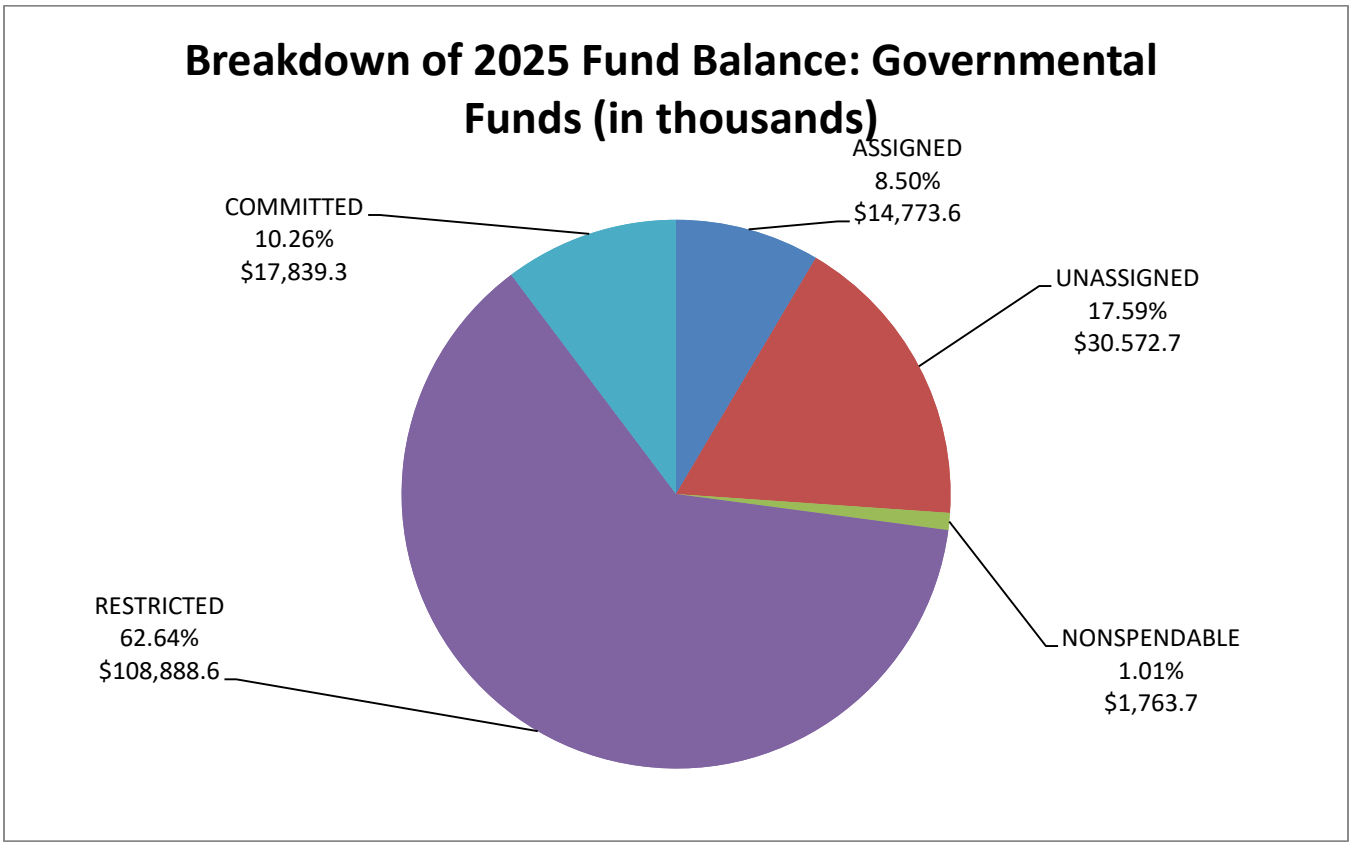
The chart below presents the revenues and expenses of each of the City's business-type activities. This net cost illustrates whether revenues are sufficient to meet current expenses.



Financial Analysis of the City's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balance of $173.8 million. Of this total, $14.7 million is assigned and $30.6 million is unassigned. This unassigned amount represents approximately 17.6% of the total fund balance, and this constitutes a fund balance that is accessible to meet the City's needs. The remainder of the governmental funds' fund balance includes $1.8 million "not in spendable form" for items that are not expected to be converted to near-term cash such as internal loans; $108.9 million restricted by external parties, including grantors and creditors, and $17.8 million committed by the City's elected officials for specific purposes.



Major Governmental Funds

The ***General Fund*** is the City's primary operating fund and the largest source of day-to-day service delivery. The City has combined several special revenue funds with the general fund for financial reporting purposes. The fund balance of the General Fund decreased by $5.3 million in 2025.

Committed, assigned and unassigned fund balance in the General Fund was $36.4 million, which as a percentage of expenditures was 13.9% of annual operations, compared with 16.8% at the end of 2024. The General Fund reserves are still considered adequate and provide the City's management with the ability to effectively manage the economic slowdown and budgetary challenges that are facing many businesses and governments at this time. During the strong economic years in the middle of the previous decade, the City's management and elected officials committed to building a robust reserve to ensure the long-term financial health of the General Fund, and the fund balance at the end of 2025 reflects the results of this commitment. The steps taken to achieve this result and how the reserve has been managed during the current economic situation are discussed in the *Budgetary Highlights* section of this analysis.

The ***American Recovery Plan*** fund was major in 2025. The fund balance of the American Recovery Plan decreased by $0.09 million in 2025. The entire fund balance for the American Recovery Plan is classified as restricted for grants and represents 2.4% of annual expenditures.

The Proprietary Funds

The City reports four primary enterprise funds, two of which are considered major funds. These two funds provide the utility services of water/sewer and solid waste to the citizens of Spokane. The City also maintains thirteen internal service funds.

The ***Water/Sewer Fund -*** The water/sewer fund reports net position of $873.3 million, with a $833.4 million net investment in capital assets (i.e., the book value of the capital assets less related debt). The current ratio for this fund is 3.4, which provides this fund with adequate resources to cover cash flow issues.

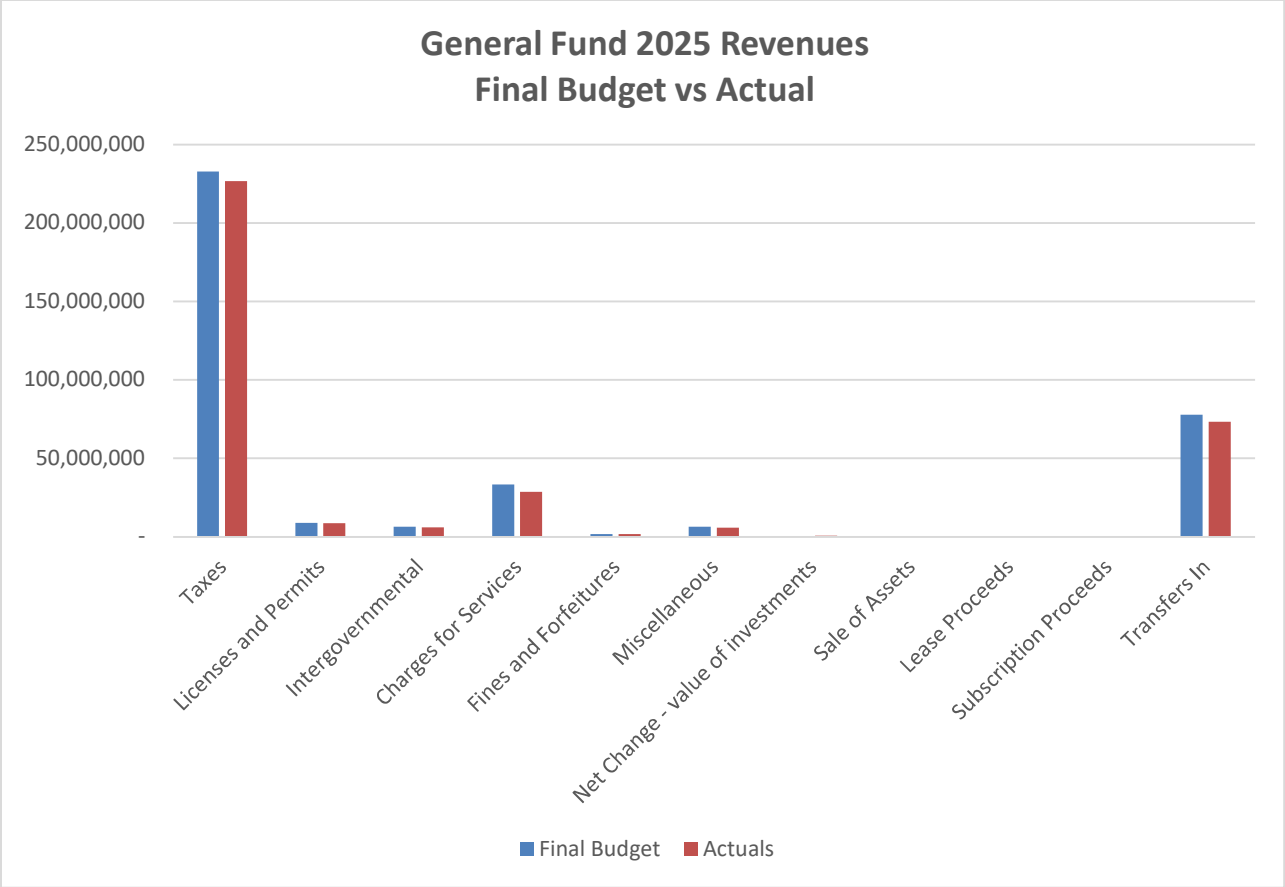
The water/sewer fund reported operating income of $3.7 million. The City's management and elected officials are strategically balancing the amount of utility expenses that the citizens of Spokane can afford with the need to maintain service delivery, maintain and improve the utility's infrastructure, and provide for growth. Currently, this involves setting utility rate increases to be consistent with the consumer price index and aggressively managing operating expenses. The aggressive management of operating expenses allows for operating revenues to be directed towards investments in the utility's infrastructure. The sewer system is subject to regulatory requirements that will require significant capital improvements over the next several years. Part of the 2025 operating income will be directed towards those regulatory requirements in the coming years.

The ***Solid Waste Fund –*** The solid waste fund reports net position of $72.0 million. The net investment in capital assets (i.e., the book value of the capital assets less related debt) is $81.0 million with $(9.0) million in unrestricted net position. The current ratio for this fund is 2.8, which provides this fund with adequate resources to cover cash flow requirements. The solid waste fund reported operating income of $1.8 million. Depreciation expense was $8.2 million for the Solid Waste Fund.

Budgetary Highlights

The ***General Fund –*** In 2025, the original General Fund Revenue budget (excluding transfers and other financing sources) was $14.6 million more than the 2024 actual results. In addition, the 2025 original expenditure budget (excluding transfers and other financing uses) was $17.1 million more than the 2024 actual results. There was a favorable budget variance in charges for services and miscellaneous revenues supporting a stronger economy starting to recover after the COVID-19 pandemic. Unrealized losses in previous years will continue to be recovered in future years as the individual securities mature since the City's policy is to hold its investment securities to maturity.

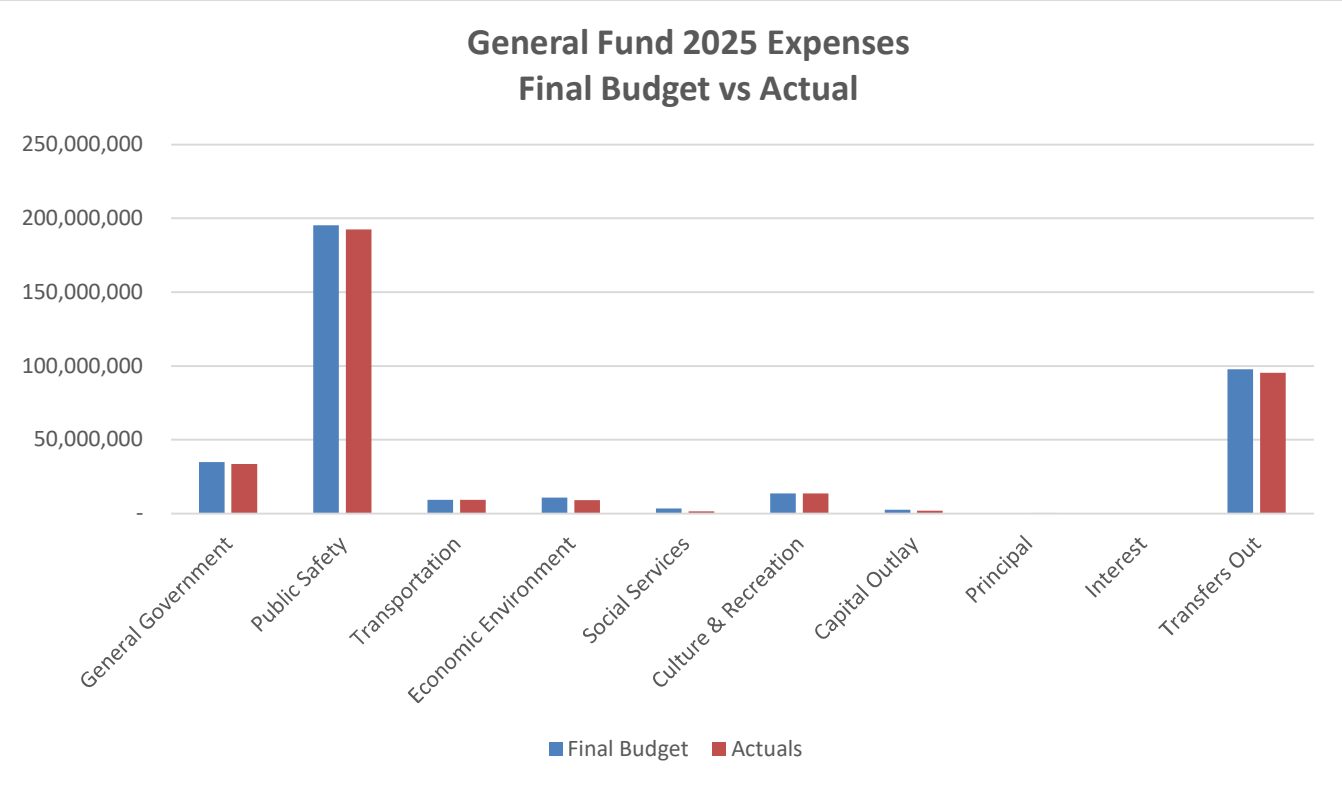
For the past several years, the City has strived to develop a budget that limits expenditures to anticipated revenue for the current year. The City Council amended both the revenue and expenditure budgets during 2025; the amendments resulted in a 0.8% change between the original and final budget for revenues, and a 1.8% change for expenditures.



The actual revenues (including transfers in and other financing sources) were approximately $5.3 million less than the actual expenditures (including transfers out), or 1.8% excess of expenditures over revenues.

Excluding the effects of transfers in/out and escrow payments, the City had positive expenditure variances of $8.4 million between the final budget and the actual amounts in all categories except Principal which realized a $0.316 million unfavorable variance and interest which realized a $0.058 million unfavorable variance. Generally, the positive variances are related to reduced expenditures across most of the general fund, as the City's management and Council continue to recognize the effects of prior revenue shortfalls and have adjusted expenditures accordingly.

As indicated by the budgetary operating statement, the City staff considers the annual budget to be an extremely important document and attempts to include in the budget their best estimate of revenue and expenditures. The City is also utilizing longer term budgetary projections to help the management and City Council make strategically sound budget decisions.



Capital Assets and Debt Administration

Capital assets

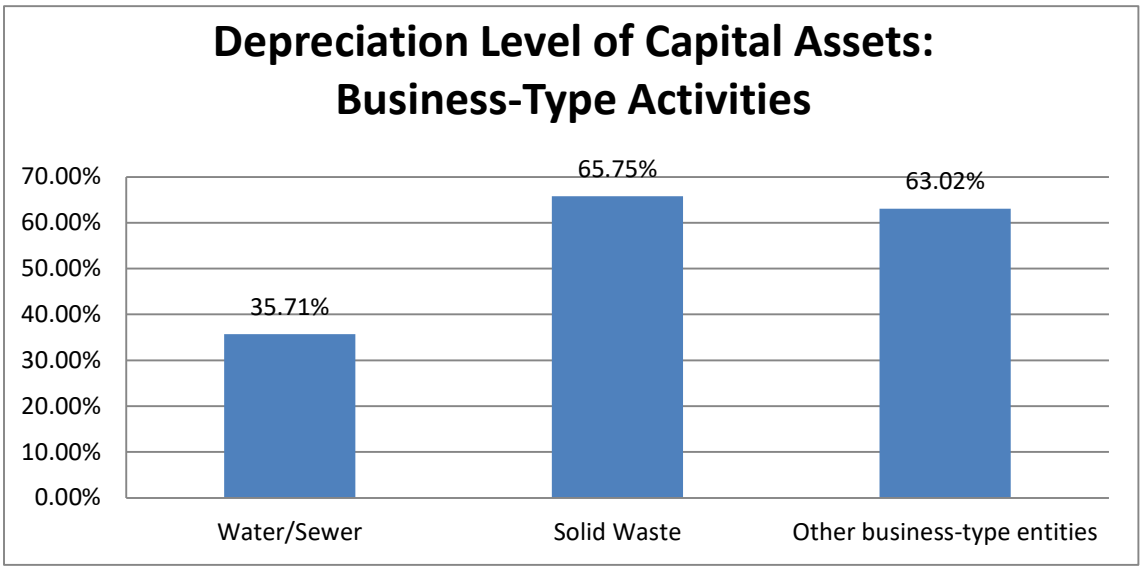
The City's investment in capital assets, net of related debt, for governmental and business-type activities as of December 31, 2025, was $1,468.7 million and $922.5 million, respectively. See Note 4 for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

The following table provides a summary of capital assets.

Summary of Capital Assets (in thousands)	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
NON-DEPRECIABLE ASSETS						
Land	$ 845,992	$ 845,830	$ 15,694	$ 15,589	**$ 861,686**	**$ 861,419**
Construction in progress	23,064	14,679	48,971	25,237	**72,035**	**39,916**
Total non-depreciable assets	869,056	860,509	64,665	40,827	**933,721**	**901,335**
DEPRECIABLE ASSETS						
Property, plant, and equipment	498,671	487,771	897,883	886,072	**1,396,554**	**1,373,843**
Infrastructure	1,283,299	1,263,665	934,357	906,303	**2,217,656**	**2,169,968**
Intangible assets	4,723	4,999	114	114	**4,837**	**5,112**
Right-to-use leased assets	5,480	5,419	4,573	4,859	**10,053**	**10,278**
Right-to-use subscription assets	9,183	9,678	-	-	**9,183**	**9,678**
Total depreciable assets	1,801,355	1,771,532	1,836,927	1,797,347	**3,638,283**	**3,568,879**
Total cost of capital assets	2,670,412	2,632,040	1,901,592	1,838,174	**4,572,004**	**4,470,214**
ACCUMULATED DEPRECIATION	(1,005,670)	(956,886)	(758,965)	(720,983)	**(1,764,635)**	**(1,677,869)**
Total book value of capital assets	$ 1,664,742	$ 1,675,154	$ 1,142,627	$ 1,117,191	**$ 2,807,369**	**$ 2,792,345**
Percentage depreciated	56%	54%	41%	40%	49%	47%

The City's governmental activities depreciable capital assets were 56% depreciated at December 31, 2025 and 54% at December 31, 2024.

With the City's business-type activities, 41% of the asset values were depreciated at December 31, 2025 and 40% at December 31, 2024. These percentages indicate that the City is maintaining and replacing their assets at a favorable rate. The percentage of depreciated assets for each of the three enterprise funds that report capital assets is as follows:



Long-term debt

At the end of the fiscal year, the City had long-term debt outstanding of $415.3 million. Of this amount, $182.6 million or 43.98% is backed by the full faith and credit of the City (general obligation bonds) with debt service fully funded by voter-approved property taxes or general government revenue. The other major component of $216.8 million is supported by pledged revenues generated primarily by the business-type activities of the City (revenue bonds and loans from other governments).

	Governmental Activities		Business-Type Activities		Total	
Outstanding Borrowings	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
General obligation bonds	$ 178,280,000	$ 183,685,000	-	-	178,280,000	$ 183,685,000
Deferred amounts - bond premiums	4,337,089	5,277,238	-	-	4,337,089	5,277,238
Direct borrowings	4,247,212	8,079,522	-	-	4,247,212	8,079,522
Leases	4,083,770	4,336,443	3,334,887	3,759,495	7,418,657	8,095,938
Subscriptions	3,935,093	6,034,504	-	-	3,935,093	6,034,504
Revenue bonds	-	-	101,125,000	110,310,000	101,125,000	110,310,000
Deferred amounts	-	-	2,006,207	2,592,310	2,006,207	2,592,310
Other government/bank loans	200,000	200,000	113,705,997	113,696,943	113,905,997	113,896,943
Total	$ 195,083,164	$ 207,612,707	$ 220,172,091	$ 230,358,748	$ 415,255,255	$ 437,971,455

Long-term debt decreased by $22.7 million during 2025, which was the result normal debt payments combined with the increase in leases.

See Note 9 for additional information about the City's long-term debt.

Economic Conditions Affecting the City

Since one of the primary revenue streams for the City is sales tax, the City's sales tax revenues are subject to changes in the economy. Sales taxes are an "elastic" revenue stream; tax collections are higher in a flourishing economy and are lower in a depressed economy. Although sales tax was depressed due to the COVID-19 pandemic the City of Spokane for the last few years has been dealing with the slow recovery from the nation-wide economic downturn due to the pandemic. The City's management and elected officials are responding to the economic conditions with a balanced approach including cutting expenses, encouraging new business activity by minimizing tax increases, and using reserve balances strategically.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, please contact the City's Office of Finance, 808 West Spokane Falls Boulevard, Spokane, WA 99201.

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Basic Financial Statements

Government-wide Financial Statements

City of Spokane, Washington
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 35,689,935	$ 9,186,611	$ 44,876,546
Equity in pooled investments	149,781,096	77,115,919	226,897,015
Receivables (net)	53,854,802	33,492,727	87,347,529
Internal balances	17,912,737	(17,912,737)	-
Lease receivable	15,004,965	-	15,004,965
Inventories	1,794,936	11,990,225	13,785,161
Prepaids	189,917	12,508	202,425
Net Pension Asset	65,958,392	-	65,958,392
Restricted Assets:			
Receivables	16,668,533	16,796	16,685,329
Equity in pooled investments, restricted	-	18,280,916	18,280,916
Capital Assets (Note 4):			
Non-depreciable assets	869,056,363	64,664,517	933,720,880
Depreciable assets, net of depreciation	787,585,852	1,074,656,535	1,862,242,387
Right-to-use leased assets, net of amortization	3,833,305	3,305,752	7,139,057
Right-to-use subscriptions, net of amortization	4,266,219	-	4,266,219
Total capital assets, net of depreciation	1,664,741,739	1,142,626,804	2,807,368,543
Total Assets	2,021,597,052	1,274,809,769	3,296,406,821
DEFERRED OUTFLOWS			
Pensions	91,620,732	19,646,558	111,267,290
Opeb	2,038,335	529,036	2,567,371
Total deferred outflows	93,659,067	20,175,594	113,834,661
LIABILITIES			
Accounts payable and accrued expenses	16,473,607	7,516,913	23,990,520
Unearned revenue	5,960,179	-	5,960,179
Other liabilities, current	9,900,218	4,765,066	14,665,284
Long term liabilities (Note 9):			
Due within one year	38,318,640	21,747,009	60,065,649
Due within more than one year	447,128,255	324,146,055	771,274,310
Total Liabilities	517,780,899	358,175,043	875,955,942
DEFERRED INFLOWS			
Pensions	27,920,369	8,740,467	36,660,836
Sale of Future Revenue	23,367	83,391	106,758
Bond refundings	255,738	-	255,738
Opeb	2,256,065	746,010	3,002,075
Leases	13,939,696	-	13,939,696
Total deferred inflows	44,395,235	9,569,868	53,965,103
NET POSITION			
Net investment in capital assets	1,468,730,609	922,454,713	2,391,185,322
Restricted for:			
Capital projects	44,069,206	-	44,069,206
Debt service	8,615,105	-	8,615,105
Grants	22,054,480	-	22,054,480
Impact Fees	1,558,193	-	1,558,193
Police and firefigthers' pension	66,504,563	-	66,504,563
Public Safety & Crime Reduction	1,290,591	-	1,290,591
Other	30,754,864	-	30,754,864
Unrestricted	(90,497,626)	4,785,739	(85,711,887)
Total Net Position	$ 1,553,079,985	$ 927,240,452	$ 2,480,320,437

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Activities
For the Fiscal Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General government	$ 6,608,330	$ 10,912,171	$ 2,280,706	$ 494,355	$ 7,078,902	$ -	$ 7,078,902
Judicial	7,674,243	1,915,728	93,000	-	(5,665,515)	-	(5,665,515)
Public safety	209,644,271	15,924,884	3,440,240	1,035,898	(189,243,249)	-	(189,243,249)
Transportation	75,446,590	15,603,063	47,210	10,146,994	(49,649,323)	-	(49,649,323)
Economic environment	34,842,025	712,044	14,491,475	-	(19,638,506)	-	(19,638,506)
Social services	31,156,752	1,387,427	28,185,153	384,283	(1,199,889)	-	(1,199,889)
Culture and recreation	53,316,625	8,378,341	1,313,480	622,422	(43,002,382)	-	(43,002,382)
Interest on long-term debt	7,334,887	-	-	-	(7,334,887)	-	(7,334,887)
Total governmental activities	426,023,723	54,833,658	49,851,264	12,683,952	(308,654,849)	-	(308,654,849)
Business-Type Activities:							
Water/Sewer	190,067,035	188,292,540	684,447	34,093,346	-	33,003,298	33,003,298
Solid Waste	107,200,899	105,097,858	650,000	-	-	(1,453,041)	(1,453,041)
Other business-type activities	19,340,066	16,262,077	-	375,000	-	(2,702,989)	(2,702,989)
Total business-type activities	316,608,000	309,652,475	1,334,447	34,468,346	-	28,847,268	28,847,268
Total government	$ 742,631,723	$ 364,486,133	$ 51,185,711	$ 47,152,298	(308,654,849)	28,847,268	(279,807,581)
	General revenues:						
	Property taxes				105,159,669	-	105,159,669
	Sales taxes				92,722,235	-	92,722,235
	Utility taxes				83,413,244	-	83,413,244
	Other taxes				25,272,920	-	25,272,920
	Investment earnings				10,917,348	5,851,927	16,769,275
	Other interest				530,551	9,652	540,203
	Transfers				1,116,526	(1,116,526)	-
	Total general revenues and transfers				319,132,493	4,745,053	323,877,546
	Change in Net Position				10,477,644	33,592,321	44,069,965
	Net Position - beginning as previously stated				1,535,171,821	843,802,362	2,378,974,183
	Restatement				7,430,520	49,845,769	57,276,289
	Net Position - beginning as restated				1,542,602,341	893,648,131	2,436,250,472
	Net Position - ending				$ 1,553,079,985	$ 927,240,452	$ 2,480,320,437

The notes to the financial statements are an integral part of this statement.

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Basic Financial Statements

Fund Financial Statements

City of Spokane, Washington
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	American Recovery Plan	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 1,044,343	$ 228	$ 22,929,435	$ 23,974,006
Deposits with fiscal agents/trustees	-	-	53,134	53,134
Equity in pooled investments	8,164,454	5,846,233	92,349,129	106,359,816
Taxes receivable	18,319,576	-	7,022,690	25,342,266
Special assessment receivable	-	-	122,195	122,195
Accounts receivable	1,844,382	-	12,475,895	14,320,277
Interest receivable	68,457	-	23,526	91,983
Due from other funds	14,911,406	-	11,061,087	25,972,493
Interfund loan receivable	9,331,191	278,238	2,422,857	12,032,286
Lease receivable	12,958,431	-	188,245	13,146,676
Lease interest receivable	20,424	-	460	20,884
Due from other governments	1,297,860	-	11,496,456	12,794,316
Advances to other funds	653,917	520,636	4,533,620	5,708,173
Inventories	-	-	1,082,147	1,082,147
Prepaids	27,612	-	-	27,612
Notes/contract receivable (non-current)	698	-	16,667,835	16,668,533
Total Assets	$ 68,642,751	$ 6,645,335	$ 182,428,711	$ 257,716,797
LIABILITIES				
Accounts/vouchers payable	$ 4,948,361	$ 427,415	$ 6,718,308	$ 12,094,084
Due to other funds	5,429,833	48,390	15,148,562	20,626,785
Due to other governments	22,579	-	66,938	89,517
Unearned Revenue	-	5,960,179	-	5,960,179
Interfund loan payable	-	-	8,981,725	8,981,725
Accrued payroll liabilities	6,111,174	-	762,947	6,874,121
Other current liabilities	921,178	-	1,020,538	1,941,716
Total Liabilities	17,433,125	6,435,984	32,699,018	56,568,127
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue Property Taxes	2,006,420	-	744,263	2,750,683
Unavailable Revenues Special Assessments	-	-	122,195	122,195
Unavailable Revenues Impact Fees	-	-	4,188,512	4,188,512
Unavailable Revenues Grants	-	-	9,595	9,595
Lease Related	11,911,753	-	183,838	12,095,591
Unavailable Revenues Opioid Settlement	-	-	7,876,666	7,876,666
Unavailable Revenues Other	-	-	267,647	267,647
Total Deferred Inflows of Resources	13,918,173	-	13,392,716	27,310,889
Fund Balance				
Nonspendable	681,529	-	1,082,147	1,763,676
Restricted - capital projects	-	-	44,069,206	44,069,206
Restricted - police & firefighters' pension	-	-	546,171	546,171
Restricted- public safety & crime reduction	-	-	1,290,591	1,290,591
Restricted - grants	216,345	209,351	21,628,784	22,054,480
Restricted - impact fees	-	-	1,558,193	1,558,193
Restricted - debt service	-	-	8,615,105	8,615,105
Restricted - Other	-	-	30,754,864	30,754,864
Committed	-	-	17,839,275	17,839,275
Assigned	5,692,584	-	9,080,977	14,773,561
Unassigned	30,700,995	-	(128,336)	30,572,659
Total Fund Balance	37,291,453	209,351	136,336,977	173,837,781
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 68,642,751	$ 6,645,335	$ 182,428,711	$ 257,716,797

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December, 31 2025

Total Fund Balance of Governmental Funds		**$**	**173,837,781**
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:			
Non-depreciable assets	861,301,930		
Depreciable assets	1,650,205,417		
Less: Accumulated depreciation	(919,366,858)		
Right-to-use leased assets	5,040,187		
Less: Accumulated amortization on leased assets	(1,530,304)		
Right-to-use subscription assets	7,007,344		
Less: Accumulated amortization on subscription assets	(3,131,137)		
Total capital assets			1,599,526,579
Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a financial resources and therefore is not reported in the funds.			65,958,392
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the funds.			
Pensions	85,390,335		
Opeb	1,892,653		87,282,988
Deferred inflows of resources represent an acquisition of fund equity that will be reported as an inflow of resources in a future period and therefore are not reported in the funds.			
Property Taxes	2,750,683		
Special Assessments	122,195		
Impact Fees	4,188,512		
Grants	9,595		
Opioid Settlement	7,876,666		
Revenues Collected for future sales	267,647		
Refunding debt	(255,738)		
Opeb	(2,050,635)		
Pensions	(25,148,555)		(12,239,630)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			66,760,441
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:			
Bonds payable	(178,280,000)		
Notes from Direct Borrowings	(4,247,212)		
Deferred amounts on bond issuance	(4,337,089)		
Due to other governments	(200,000)		
Revitalization Areas	(672,231)		
Leases	(3,762,367)		
Subscriptions	(3,611,092)		
OPEB (other postemployment benefits) liability	(57,676,141)		
Net pension obligation	(119,320,496)		
Accrued interest on bonds	(488,993)		
Accrued interest on leases	(5,117)		
Accrued interest on subscriptions	(98,354)		
Compensated absences	(53,348,274)		
Termination benefits	(1,999,200)		
Total long term liabilities			**(428,046,566)**
Net Position of Governmental Activities		**$**	**1,553,079,985**

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2025

	General Fund	American Recovery Plan	Other Governmental Funds	Total
REVENUES				
Taxes	$ 226,623,975	$ -	$ 69,331,811	$ 295,955,786
Licenses and permits	8,712,170	-	1,446,666	10,158,836
Intergovernmental	5,950,425	8,634,357	60,131,413	74,716,195
Charges for services	28,698,270	-	22,265,333	50,963,603
Fines and forfeitures	1,696,083	-	4,976,269	6,672,352
Miscellaneous	5,832,761	16,934	10,815,156	16,664,851
Net inc(dec) in market value of investments	731,004	-	1,107,225	1,838,229
Total Revenues	278,244,688	8,651,291	170,073,873	456,969,852
EXPENDITURES				
Current:				
General government	33,473,753	889,663	5,003,000	39,366,416
Public safety	192,469,720	5,646	22,083,333	214,558,699
Transportation	9,209,865	-	38,229,058	47,438,923
Economic environment	9,163,822	6,802,066	18,923,594	34,889,482
Social services	1,412,273	16,150	30,117,884	31,546,307
Culture and recreation	13,606,632	-	25,903,723	39,510,355
Capital outlays	1,895,292	994,564	20,647,077	23,536,933
Debt service:				
Principal	316,010	-	11,386,032	11,702,042
Interest	60,416	-	7,313,396	7,373,812
Total Expenditures	261,607,783	8,708,089	179,607,097	449,922,969
Excess of Revenues Over (Under) Expenditures	16,636,905	(56,798)	(9,533,224)	7,046,883
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,617	-	56,005	62,622
Lease proceeds (as lessee)	74,183	-	295,353	369,536
Transfers in	12,999,429	-	48,491,346	61,490,775
Transfers out	(35,039,624)	(32,449)	(30,175,717)	(65,247,790)
Total Other Financing Sources (Uses)	(21,959,395)	(32,449)	18,666,987	(3,324,857)
Net change in fund balance	(5,322,490)	(89,247)	9,133,763	3,722,026
Fund Balance - beginning of year, as previously presented	38,999,178	298,598	127,545,288	166,843,064
Restatement	3,614,765	-	(342,074)	3,272,691
Fund Balance - beg nning of year, as restated	42,613,943	298,598	127,203,214	170,115,755
Fund balance - ending	$ 37,291,453	$ 209,351	$ 136,336,977	$ 173,837,781

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Fiscal year Ended December 31, 2025

Change in fund balance - governmental funds		**$**	**3,722,026**
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, capital outlays did not exceeded depreciation expense:			
Capital outlays	38,207,516		
Depreciation expense	(43,687,901)		
Leased asset capital outlays	369,536		
Leased asset amortization expense	(588,956)		
Subscription asset capital outlays	-		
Subscription asset amortization expense	(1,086,876)		
			(6,786,681)
In the Statement of Activities, only the loss on the sale of capital assets is reported whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in fund balance differs from the change in net position by the cost of capital assets sold.			
Capital assets sold	(3,616,740)		
Less accumulated depreciation	3,601,542		
Leased asset disposals	(209,903)		
Less accumulated amortization	209,903		
			(15,198)
Some revenues in the governmental funds that were not available until the current year were reported in prior years in the Statement of Activities.			
Some revenues in the governmental funds that were earned in the current year but are unavailable should be reported in the current year Statement of Activities.			(1,597,254)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liaiblities in the Statement of Net Position. This is the amount payments exceeded proceeds:			
Issuance of direct borrowing	-		
Issuance of debt with lease contracts	(369,536)		
Issuance of debt with subscription contracts	-		
Principal repayments - general obligation debt	5,405,000		
Principal repayments - direct borrowing	3,832,310		
Principal repayments - due to other governments	-		
Principal repayments - leases	528,721		
Principal repayments - subscriptions	1,476,953		
Principal repayments - Revitalization Areas	459,057		
Early lease termination	-		11,332,505
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.			
(Increase) decrease in OPEB Expense	3,467,872		
(Increase) decrease in compensated absences	(3,618,885)		
(Increase) decrease in termination benefits	449,200		
(Increase) decrease in deferred amounts on existing bond issuance	940,149		
(Increase) decrease in accrued interest on bonds	23,192		
(Increase) decrease in accrued interest on leases	693		
(Increase) decrease in accrued interest on subscriptions	37,610		
(Increase) decrease in Pension Expense	2,839,532		
(Increase) decrease in refunding amortization	255,737		4,395,100
Internal service funds are used by management to charge the costs of certain activities such as fleet management and insurance to individual funds. The net gain of internal service funds is reported with governmental activities.			(572,854)
Change in net position of governmental activities		**$**	**10,477,644**

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities-Enterprise Funds				
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service
ASSETS					
Current assets:					
Cash and cash equivalents	$ 7,106,299	$ 1,850,045	$ 230,267	$ 9,186,611	$ 8,524,243
Deposits with fiscal agents	-	-	-	-	3,138,552
Equity in pooled investments	58,962,294	13,629,285	4,524,340	77,115,919	43,421,280
Accounts receivable	18,966,746	10,397,774	164,041	29,528,561	1,062,521
Interest receivable	34,083	7,616	3,173	44,872	17,371
Due from other funds	1,187,450	415,066	4,134,782	5,737,298	6,117,311
Interfund loan receivable	2,811,224	951,802	210,665	3,973,691	1,401,951
Lease receivable	-	-	-	-	309,375
Lease interest receivable	-	-	-	-	5,788
Due from other governments	3,866,389	51,676	1,229	3,919,294	77,201
Inventories	8,631,227	3,228,893	130,105	11,990,225	712,789
Prepaids	12,508	-	-	12,508	162,305
Equity in pooled investments, restricted	9,645,000	2,613,507	-	12,258,507	-
Total current assets	111,223,220	33,145,664	9,398,602	153,767,486	64,950,687
Noncurrent assets:					
Non depreciable capital assets:					
Land	12,627,246	1,777,194	1,289,224	15,693,664	6,742,065
Construction in progress	46,450,449	653,244	1,867,160	48,970,853	1,012,368
Depreciable capital assets:					
Property, plant, and equipment	639,959,306	239,212,918	18,710,870	897,883,094	124,975,171
Infrastructure	934,357,142	-	-	934,357,142	6,982,277
Capitalized software	-	-	-	-	4,530,123
Intangible assets	113,766	-	-	113,766	-
Right-to-use lease land	-	3,643,955	-	3,643,955	-
Right-to-use leased property, plant, and equipment	19,063	222,828	687,463	929,354	439,328
Right-to-use subscription	-	-	-	-	2,175,510
Less accumulated depreciation/amortization	(583,319,286)	(161,432,280)	(14,213,458)	(758,965,024)	(81,641,680)
Total capital assets	1,050,207,686	84,077,859	8,341,259	1,142,626,804	65,215,162
Other noncurrent assets					
Noncurrent lease receivable	-	-	-	-	1,548,914
Noncurrent equity in pooled investments restricted	-	6,022,409	-	6,022,409	-
Other noncurrent assets	-	16,796	-	16,796	-
Advances to other funds	5,260,333	1,781,002	394,196	7,435,531	2,623,314
Total noncurrent assets	1,055,468,019	91,898,066	8,735,455	1,156,101,540	69,387,390
Total assets	1,166,691,239	125,043,730	18,134,057	1,309,869,026	134,338,077
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	11,406,343	6,037,279	2,202,936	19,646,558	6,230,397
Opeb Outflows	350,530	151,356	27,150	529,036	145,682
Total deferred outflows of resources	11,756,873	6,188,635	2,230,086	20,175,594	6,376,079

City of Spokane, Washington
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities-Enterprise Funds				
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service
LIABILITIES					
Current Liabilities:					
Accounts payable	4,129,530	2,841,104	546,279	7,516,913	3,697,541
Claims and judgments payable	-	-	-	-	21,079,906
Compensated absences	530,969	293,579	70,685	895,233	299,820
Lease payable	538	248,651	73,730	322,919	75,332
Subscription payable	-	-	-	-	324,000
Lease interest payable	-	7,088	1,116	8,204	1,676
Subscription interest payable	-	-	-	-	9,190
Due to other funds	7,552,449	4,522,268	738,501	12,813,218	4,387,099
Interfund loan payable	-	-	26,322	26,322	24,166,899
Due to other governments	7,683,449	-	-	7,683,449	-
Revenue bonds payable	10,037,308	-	-	10,037,308	-
Total opeb liability	64,482	27,836	4,993	97,311	26,848
Accrued landfill postclosure liability	-	2,892,451	-	2,892,451	-
Accrued interest	593,702	-	85	593,787	83,609
Accrued payroll liabilities	1,368,460	726,587	265,866	2,360,913	678,211
Other current liabilities	892,711	376,421	351,369	1,620,501	311,695
Total current liabilities	32,853,598	11,935,985	2,078,946	46,868,529	55,141,826
Noncurrent Liabilities:					
Revenue bonds payable	93,093,899	-	-	93,093,899	-
Due to other government units	106,204,209	-	-	106,204,209	-
Compensated absences	8,582,814	3,937,523	1,729,309	14,249,646	4,047,622
Noncurrent lease payable	-	2,850,609	161,360	3,011,969	246,072
Net pension liability	57,006,781	30,173,196	11,009,862	98,189,839	31,138,359
Noncurrent total opeb liability	1,813,046	782,666	140,389	2,736,101	754,836
Noncurrent accrued landfill postclosure liability	-	6,660,392	-	6,660,392	-
Total noncurrent liabilities	266,700,749	44,404,386	13,040,920	324,146,055	36,186,889
Total Liabilities	299,554,347	56,340,371	15,119,866	371,014,584	91,328,715
DEFERRED INFLOWS OF RESOURCES					
Pensions	5,074,516	2,685,897	980,054	8,740,467	2,771,814
Opeb	494,291	213,432	38,287	746,010	205,430
Lease related	-	-	-	-	1,844,105
Sale of Future Revenue	-	-	83,391	83,391	23,367
Total deferred inflows of resources	5,568,807	2,899,329	1,101,732	9,569,868	4,844,716
NET POSITION					
Net investments in capital assets	833,369,944	80,978,599	8,106,170	922,454,713	64,569,758
Unrestricted	39,955,014	(8,985,934)	(3,963,625)	27,005,455	(20,029,033)
Total Net Position	$ 873,324,958	$ 71,992,665	$ 4,142,545	949,460,168	$ 44,540,725
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(22,219,716)	
Net position of business-type activities				$ 927,240,452	

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds				
	Water/Sewer	**Solid Waste**	**Other Enterprise Funds**	**Total**	**Internal Service Funds**
OPERATING REVENUES					
Charges for goods and services	$ 186,307,739	$ 102,813,635	$ 15,396,606	$ 304,517,980	$ 127,814,450
Total operating revenues	186,307,739	102,813,635	15,396,606	304,517,980	127,814,450
OPERATING EXPENSES					
Salaries and wages	36,337,099	18,624,941	7,741,126	62,703,166	19,061,085
Personnel benefits	10,807,424	6,064,416	2,529,602	19,401,442	6,310,278
Supplies	11,559,408	6,125,932	595,608	18,280,948	10,520,374
Services and charges	88,525,432	64,624,130	7,624,684	160,774,246	26,520,311
Depreciation/amortization	34,642,074	8,204,103	599,090	43,445,267	9,859,094
Risk transfer payments	768,272	959,782	-	1,728,054	13,829,262
Claims processing	-	-	-	-	2,563,993
Payments to claimants and beneficiaries	-	-	-	-	55,923,561
Total operating expenses	182,639,709	104,603,304	19,090,110	306,333,123	144,587,958
Operating Income (Loss)	3,668,030	(1,789,669)	(3,693,504)	(1,815,143)	(16,773,508)
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,790,214	499,185	349,690	3,639,089	1,470,146
Net increase (decrease) in fair value of investmen	1,688,875	202,878	321,085	2,212,838	968,175
Gain (loss) on disposition of capital assets	36,528	(27,250)	4,950	14,228	61,102
Interest expense	(5,859,046)	(45,200)	(19,412)	(5,923,658)	(1,246,974)
Other nonoperating revenue	4,355,840	2,488,088	1,070,446	7,914,374	3,896,552
Total nonoperating revenues (expenses)	3,012,411	3,117,701	1,726,759	7,856,871	5,149,001
Income (loss) before capital contributions and transfers	6,680,441	1,328,032	(1,966,745)	6,041,728	(11,624,507)
Capital contributions	34,093,346	-	375,000	34,468,346	895,611
Transfers in	-	-	53,698	53,698	4,831,489
Transfers out	(1,089,192)	(64)	(97,818)	(1,187,074)	(459,824)
Total contributions and transfers	33,004,154	(64)	330,880	33,334,970	5,267,276
Change in Net Position	39,684,595	1,327,968	(1,635,865)	39,376,698	(6,357,231)
Net Position - beginningof year, as previously presented	829,467,311	26,557,923	5,835,206	861,860,440	51,485,452
Restatement	4,173,052	44,106,774	(56,796)	48,223,030	(587,496)
Net Position - beginning of year, as restated	833,640,363	70,664,697	5,778,410		50,897,956
Net Position - ending	$ 873,324,958	$ 71,992,665	$ 4,142,545		$ 44,540,725
			Change in Net Position	39,376,698	
			Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	(5,784,377)	
			Change in net position of business-type activities	$ 33,592,321	

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds				
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 185,691,204	$ 103,085,707	$ 11,450,144	$ 300,227,055	$ 126,460,000
Payments to suppliers for services	(99,832,089)	(68,528,918)	(8,086,643)	(176,447,650)	(108,550,594)
Payments to employees	(43,214,170)	(22,394,894)	(9,444,467)	(75,053,531)	(24,631,037)
Net cash provided (used) by operating activities	42,644,945	12,161,895	(6,080,966)	48,725,874	(6,721,631)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental sources	684,447	-	-	684,447	255,427
Other nonoperating sources	3,435,313	2,490,101	1,070,446	6,995,860	2,866,235
Transfers in	-	-	53,698	53,698	142,430
Transfers out	(1,089,192)	(64)	(16,850)	(1,106,106)	(122,050)
Net cash provided (used) by noncapital financing activities	3,030,568	2,490,037	1,107,294	6,627,899	3,142,042
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES					
Receipts from lessor leases - principal	-	-	-	-	749,141
Receipts from lessor leases - interest	-	-	-	-	19,598
Proceeds from disposal of capital assets	172,256	542,094	4,950	719,300	289,125
Proceeds from loans, notes, leases, and subscriptions	7,484,837	-	-	7,484,837	18,220,748
Capital grants and loans received	5,430,078	-	-	5,430,078	-
Acquisition and construction of capital assets	(43,565,057)	(2,495,928)	(1,452,326)	(47,513,311)	(5,950,665)
Acquisition of right-to-use lease assets	-	-	-	-	-
Acquisition of right-to-use subscription assets	-	-	-	-	(2,287)
Principal paid on intergovernmental loans	(7,568,036)	-	-	(7,568,036)	-
Principal paid on revenue bonds	(9,184,999)	-	-	(9,184,999)	-
Principal paid on leases	(16,540)	(245,212)	(162,855)	(424,607)	(93,489)
Principal paid on subscriptions	-	-	-	-	(624,746)
Principal paid on interfund loans	-	-	(53,079)	(53,079)	(26,620,648)
Interest paid on interfund loans	-	-	(2,657)	(2,657)	(1,272,116)
Interest paid on revenue bonds	(4,364,028)	-	-	(4,364,028)	-
Interest paid on intergovernmental loans	(2,126,179)	-	-	(2,126,179)	-
Interest paid on leases	(228)	(45,740)	(18,734)	(64,702)	(9,342)
Interest paid on subscriptions	-	-	-	-	(21,746)
Capital Contributions	6,109,250	-	-	6,109,250	4,689,059
Transfers out		-	(80,968)	(80,968)	(337,774)
Net cash provided (used) by capital and related financing activities	(47,628,646)	(2,244,786)	(1,765,669)	(51,639,101)	(10,965,142)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(28,081,234)	(16,117,737)	(221,220)	(44,420,191)	(8,117,510)
Proceeds from sales and maturities of investments	27,861,104	3,744,830	6,176,644	37,782,578	16,586,769
Interest received	4,475,290	699,961	672,419	5,847,670	2,415,540
Net cash provided (used) by investing activities	4,255,160	(11,672,946)	6,627,843	(789,943)	10,884,799
Net increase (decrease) in cash and cash equivalents	2,302,027	734,200	(111,498)	2,924,729	(3,659,932)
Cash and cash equivalents - January 1	4,804,272	1,115,845	341,765	6,261,882	12,184,175
Cash and cash equivalents - December 31	$ 7,106,299	$ 1,850,045	$ 230,267	$ 9,186,611	$ 8,524,243
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	$ 3,668,030	$ (1,789,669)	$ (3,693,504)	$ (1,815,143)	$ (16,773,508)
Adjustments to Reconcile Operating Income					
Depreciation & amortization	34,642,074	8,204,103	599,090	43,445,267	9,859,094
Change in Assets: Decrease (Increase)					
Receivables, net of allowance	(616,535)	272,072	(3,887,119)	(4,231,582)	(1,364,311)
Deposits with fiscal agents	-	-	-	-	7,114
Inventories	(903,126)	222,162	1,749	(679,215)	14,232
Prepayments	75,047	6,997	-	82,044	67,164
Change in Deferred Outflows : Decrease (Increase)	4,915,437	2,529,519	845,620	8,290,576	2,956,445
Change in Liabilities: Increase (Decrease)					
Payables	2,876,672	3,455,269	84,719	6,416,660	623,284
Pension	(673,640)	(194,602)	191,823	(676,419)	(1,445,283)
OPEB	(67,958)	58,664	15,233	5,939	75,385
Change in Deferred Inflows: Increase (Decrease)	(1,271,056)	(602,620)	(238,577)	(2,112,253)	(741,247)
Net Cash provided (used) by operating activities	**$ 42,644,945**	**$ 12,161,895**	**$ (6,080,966)**	**$ 48,725,874**	**$ (6,721,631)**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets	$ 21,668,509	$ -	$ 522,485	$ 22,190,994	$ 553,339
Contract adjustment to right-to-use leased asset	-	-	-	-	-
Contract adjustment to lease payable	-	-	-	-	-

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Pension and Other Employee Benefit Plans	Private-Purpose Trust Funds	Custodial Funds
ASSETS			
Cash	$ 1,333,680	$ 120,857	$ 131,798
Short term investments	11,400,972	-	-
Deposits with fiscal agents/trustees	-	-	123,541
Receivables, pension and other employee benefit plans:			
Interest and dividends	780,828	-	-
Taxes receivable	400,000	-	-
Due from other governments	-	-	40,119
Other receivables	340,553	-	34,653
Investments, noncurrent, at fair value:			
U.S. fixed income	71,448,698	-	-
International fixed income	1,103,479	-	-
Fixed Income Mutual Funds	8,588,437	-	-
U.S. equities	16,569,237	-	-
Real estate	26,126,386	-	-
International equities	1,418,025	-	-
Equity Mutual Funds	177,819,794	-	-
Alternatives	128,034,544	-	-
Total investments	431,108,600	-	-
Capital assets:			
Software	477,000	-	-
Other improvements	17,539	-	-
Accumulated depreciation	(351,439)	-	-
Investments, noncurrent, all other funds:			
Total Assets	445,507,733	120,857	330,111
LIABILITIES			
Accounts/vouchers payable	192,451	-	16,248
Due to other governments	-	-	273,744
Compensated absences	126,098	-	-
Other accrued liabilities	13,180	-	-
Other current liabilities	29,461	-	-
Pending trade	3,281,076	-	-
Total Liabilities	3,642,266	-	289,992
NET POSITION			
Net position restricted for:			
Pension benefits	441,865,467	-	-
Individuals, organizations, and other governments	-	120,857	40,119
Total Net Position	$ 441,865,467	$ 120,857	$ 40,119

The notes to the financial statements are an integral part of this statement.

City of Spokane, Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the fiscal year ended December 31, 2025

	Pension and Other Employee Benefit Plans	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Employer	$ 20,089,013	$ -	$ -
Plan members	16,156,407	-	-
Intergovernmental revenue	512,228	-	-
Medicare retiree drug subsidy	239,343	-	-
Miscellaneous	494,628	-	-
Private contributions	-	11,844	-
Total Contributions	37,491,619	11,844	-
Investment Earnings:			
Net increase (decrease) in fair value of investments	45,297,251	-	-
Interest and dividends	6,874,144	-	-
Less: Investment expense	(722,637)	-	-
Total Investment Earnings:	51,448,758	-	-
Court fees collected for other governments	-	-	955,010
Permit Fees Collected for other gov'ts	-	-	48,694
Special Assessments Collected for other gov'ts	-	-	1,817,065
Utility Assistance Received	-	-	62,555
Total Additions	88,940,377	11,844	2,883,324
DEDUCTIONS			
Pension Benefits	40,912,635	-	-
Medical and dental benefits	5,340,522	-	-
Pension refunds	1,019,988	-	-
Medical and dental administration	266,961	-	-
Administrative expenses	825,208	-	-
Court Fees paid to other governments	-	-	955,010
Permit Fees paid to other gov'ts	-	-	48,694
Special Assessments paid to other gov'ts	-	-	1,817,065
Utility Assistance Paid to recipients	-	-	79,883
Total Deductions	48,365,314	-	2,900,652
Net Increase (Decrease) in Fiduciary Net Position	40,575,063	11,844	(17,328)
Fund Balance - beginning	401,290,404	109,013	57,447
Net position - ending	$ 441,865,467	$ 120,857	$ 40,119

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended December 31, 2025

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Note 1

Summary of Significant Accounting Policies

The City of Spokane was incorporated November 29, 1881 with a population of 1,000 people and an area of two square miles. Today, over 100 years later, the City's population is approximately 232,700 people within an area of about 70.07 square miles. The City's first charter was adopted December 28, 1910, with a Commission form of government. On January 1, 2001 the City began operating under the Strong Mayor-Council form of government that was adopted November 7, 2000.

The accounting policies of the City of Spokane conform to generally accepted accounting principles, as applicable to governments. The accompanying summary of the City of Spokane's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

Effective for fiscal year 2025 reporting, the City evaluated the following new standards issued by the Governmental Accounting Standards Board (GASB):

GASB 102 *Certain Risk Disclosures.* The objective of this statement is to provide users of government financial statement with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The City is subject to this statement and will report risks based on the provided guidance. There were no concentrations or constraints identified for 2025.

A. REPORTING ENTITY

The accompanying financial statements of the City of Spokane include all funds, activities and functions over which the City's executive and legislative bodies exercise oversight responsibility. Oversight responsibility is derived from the City's power and includes but is not limited to: (a) financial interdependency, (b) selection of governing authority, (c) designation of management, (d) ability to significantly influence operations, and (e) accountability for fiscal matters.

The most significant manifestation of oversight is financial interdependency. This includes the responsibility for financing deficits, entitlement to surpluses, and guarantees of "moral responsibility" for debt.

Included in the accompanying financial statements are several funds that are administered by independent boards. These include the Library fund, Parks fund, Employees' Retirement fund, Firefighters' Pension fund, and the Police Pension fund. These organizations meet the criteria for inclusion in the City's financial statements.

The following organizations are not part of the City of Spokane and are excluded from the accompanying financial statements:

Community Colleges of Spokane
The governing body is appointed by the Governor of the State of Washington. The City has no oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane School District #81
The voters of the school district elect the governing body and taxes are levied by the school district itself. The City has no oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane Housing Authority
The governing body is appointed by the Mayor of the City. It is an independent entity that does not have taxing authority, but can issue bonds. State law provides that liabilities incurred by them be satisfied from their assets and that no person shall have any right of action against the City on account of their debts, obligations and liabilities. The City does not, therefore, have oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane Transit Authority
The governing body is appointed jointly by the City and Spokane County. Small cities in the Spokane Transit Authority service area also elect a representative. The City has no oversight responsibility nor does any financial interdependency exist.

Spokane Public Facilities District
The governing board consists of five members. Two are appointed by the City, two by Spokane County, and the fifth member is selected by the other four members. The City has no oversight responsibility nor does any financial interdependency exist.

Fiduciary Component Units
A fiduciary component unit does not function as an integral part of the primary government and engaged in fiduciary activities and all financial information is located in the City's Fiduciary Fund Statements.

The City has the following three Fiduciary Component Units.

Spokane Employee Retirement System (SERS) is a multi-employer defined benefit pension plan covering employees of the City, the Public Facilities District, and Spokane Regional Emergency Communications. SERS provides retirement, death, and disability benefits to its participants.

Police Pension and OPEB System is a single- employer defined benefit pension plan that provides retirement and medical benefits to all uniformed police who were hired prior to March 1, 1970.

Fire Pension and OPEB System is a single-employer defined benefit pension plan that provides retirement and medical benefits to all firefighters who were hired prior to March 1, 1970.

Joint Ventures
The City participates in 3 joint ventures. These include the Spokane International Airport, the Spokane Regional Transportation Council, and the West Plains-Airport Area Public Development Authority. All three organizations are not part of the City and are excluded from the accompanying financial statements. See Note 11, Joint Ventures, which more fully describes these organizations.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements
The city presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. These government-wide financial statements report information on all activities of the primary government unit and its component units, if any. The accompanying fiduciary funds are not included in the government-wide financial statements. The financial information for the primary government is distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Statement of Net Position
The Statement of Net Position presents the City's assets/deferred outflows and liabilities/deferred inflows. As a general rule, balances between governmental and business-type activities are eliminated.

Assets and liabilities are presented in order of liquidity. Net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) are classified into three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- Restricted net position results when constraints are placed on an asset's use either by external parties or by law through enabling legislation.

- Unrestricted net position consists of amounts that do not meet the definition of the two preceding categories.

Statement of Activities
The Statement of Activities reports the extent to which each major city program is supported by general city revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business-type activities, a major program is an identifiable activity.

Program revenues offset the direct expenses of major programs. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from the goods or services or is otherwise directly affected by the program, such as a city resident or taxpayer or other governments or nongovernmental entities.

- Amounts received from outside entities that are restricted to one or more specific programs. These amounts can be operating or capital in nature.

- Earnings on investments that are restricted to a specific program are also considered program revenues.

General revenues consist of taxes and other items not meeting the definition of program revenues.

Generally the effect of internal activities is eliminated. Exceptions to this rule include charges between the workers' compensation and risk management insurance programs and the various other city programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved.

Fund Financial Statements
The City presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column regardless of fund type. Internal service and fiduciary funds are reported by fund type. Major funds include:

Major Governmental Funds

- **General Fund** is the City's primary operating fund. This fund accounts for all financial resources and transactions not accounted for in other funds.

- **American Rescue Plan** accounts for monies received under the American Rescue Plan Act (ARPA) to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses

Major Enterprise Funds

- **Water/Sewer Fund** accounts for the operation and construction of the water and wastewater distribution systems, the hydroelectric facilities, and the wastewater treatment facility, and accounts for all revenues and expenses incurred in its operation.

- **Solid Waste Fund** is used to account for the collection and disposal of the City's refuse, including curbside and yard waste recycling. The operation of the waste-to-energy facility is also accounted for in this fund.

Operating and Nonoperating Revenues and Expenses
The City's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. All revenue and expenses not meeting this definition are reported as nonoperating, including interest expense and interest income.

The City includes the following governmental and proprietary fund types within nonmajor funds.

Nonmajor Governmental Funds

- **Special Revenue Funds** account for the proceeds of specific revenue sources (other than trusts for private organizations, or other governments, or for major capital projects) that are restricted or committed to expenditures for specific purposes. These include a variety of city programs including the City's street program, parks department, and community development programs.

- **Debt Service Funds** account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities.

- **Capital Projects Funds** account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of major city-owned facilities (other than those financed by proprietary funds).

Nonmajor Proprietary Funds

- **Enterprise Funds** account for the City's business type operations for which a fee is charged to external users for goods or services such as golf and building permits.

- **Internal Service Funds** account for the City's risk management, data processing, accounting, utility billing, fleet services, and other services provided by one department to other departments of the City on a cost-reimbursement basis.

Fiduciary Funds

The City reports the following fiduciary funds:

- **Pension (and other Employee Benefit) Trust Funds** are used to report resources that are required to be held in trust by the city for the members and beneficiaries of its defined benefit and other employee benefits plans. Included in this category are the Employees' Retirement Fund, the Firefighters' Pension and OPEB Funds, and the Police Pension and OPEB Funds.

- **Private-Purpose Trust Fund** is used to report trust arrangements, other than pension trusts, under which trust principal and income benefit individuals, private organizations, or other governments. Included in this category is the Finch Arboretum Trust Fund.

- **Custodial Funds** account for resources held by the city in a custodial capacity for other governments, private organizations, or individuals. Included in this category are the Parking and Business District Fund, Municipal Court Fund, Building Code Regulation Fund, Local Remittances Fund, and Utility Billing Assistance Fund.

The fiduciary funds are not included in the government-wide financial statements

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

For government-wide reporting purposes, the City uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as the eligibility requirements imposed by the provider have been met.

For fund statement reporting purposes, the city uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds. With the current financial resources measurement focus, generally only current assets and liabilities are included on the governmental funds balance sheet. Operating statements for these funds present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay for liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, federal grants in aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within 60 days. Revenues from licenses, permits, and fees are recognized when received in cash. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collected within 12 months.

Property taxes are levied in December for the following calendar year. The first half-year collections are due by April 30, and the second half-year collections are due by October 31. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are generally recognized when the related liability is incurred. However, un-matured interest on general long-term obligations, including lease and subscription liabilities, is recognized when due, and certain compensated absences, other postemployment benefits (OPEB), and claims and judgments are recognized when the obligations are expected to be liquidated with available expendable financial resources.

The City reports deferred inflows of resources on the balance sheet of its governmental funds under certain conditions. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for revenue recognition in the current period. Deferred inflows of resources also arise when resources are received by the city before it has a legal claim to them, such as when grant monies are received prior to the City meeting the timing eligibility requirement. If grant monies are received prior to the City meeting other eligibility requirements, it is recorded as unearned revenue.

All proprietary and fiduciary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on their respective statement of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Net position for fiduciary funds are held in trust for external individuals and organizations.

All proprietary and fiduciary funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Excess of Expenditures Over Appropriations

The following governmental funds reported excess expenditures and other uses over appropriations for the year ended December 31, 2025:

Fund		Amount
Criminal Justice Assistance Fund	$	386,597
Community Safety Sales Tax Fund		9,616
GO Bond Redemption Fund		941
Iron Bridge TIF Debt Service Fund		339
Total	**$**	**397,493**

Funds with Deficit Fund Balance/Net Position

The following funds reported deficit fund balance/net position as of December 31, 2025:

Fund		Amount
General Fund Grants	$	16,574
Development Services		2,009,200
Public Works Utilities Fund		2,004,868
Reprographics Fund		37,450
Purchasing & Contracts Fund		1,352,217
Accounting Services Fund		5,770,715
My Spokane		1,537,586
Project Management Office		991,464
Total	**$**	**13,720,073**

The fund balance deficit for General Fund Grants fund is due to timing differences and should be resolved over time. The net position deficit for the Development Services, Public Works Utilities, Reprographics, Purchasing & Contracts, Accounting Services, My Spokane, and Project Management Office Funds is due to the recognition of the net pension liability related to the City's Employee's Retirement System, the net OPEB liability related to the City's Retiree Medical Plan 2, and compensated absences. It is unknown if/when the deficit will be recovered.

D. BUDGETARY INFORMATION

Biennial appropriated budgets are adopted for all funds within the City, including the General, Special Revenue, Debt Service, and Capital Projects funds. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds; however, the financial statements include budgetary comparisons for biennially budgeted governmental funds, presented on an annual basis where applicable.

The budgetary basis is substantially the same as the basis of accounting in all governmental funds.

The City follows these policies and procedures in establishing the budgetary data reported in the financial statements:

1. Prior to the start of each biennium, the Mayor submits to the City Council a proposed biennium budget with an accompanying budget message and files it with the City Clerk.
2. Public hearings are conducted to obtain taxpayers' comments.
3. Prior to the beginning of the biennium, the budget is legally adopted through passage of an ordinance. The City is required by state law to adopt a statutorily balanced budget for the biennium.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council.
5. A comparison of budget to actual is used as a management control device during each year of the biennium for all funds.
6. The expenditures of a given fund may not legally exceed its appropriations for the biennium.
7. The financial statements present original and final budget information for the biennium. The original budget is the first complete appropriated biennium budget. The final budget reflects all legally authorized changes, including those adopted as part of the mid-biennium budget modification process, as well as supplemental appropriations, transfer, allocations, reserves, and other adjustments occurring throughout the biennium.
8. The level of control for adopted budgets is at the fund level.
9. Any unexpended appropriation balances lapse at the end of the biennium unless otherwise reappropriated in accordance with applicable laws and ordinances.

Encumbrances
An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. Encumbrances at year-end represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders in process are completed. Encumbrances outstanding at year-end for unfulfilled obligations of the current year budget are re-appropriated in the succeeding year.

E. ASSETS, DEFERRED OUTFLOWS/INFLOWS, LIABILITIES, AND NET POSITION/FUND BALANCE

1. Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses. This amount is classified on the balance sheet as equity in pooled investments. The interest on these investments is credited to the General Fund. Cash and equivalents include cash on hand, cash in banks, and petty cash funds.

2. Investments

The City Treasurer invests all temporary cash surpluses. For reporting purposes, these pooled investments are stated at fair value or amortized cost, which approximates fair value.

All other noncurrent investments are valued at fair value. Fair values are based on published market prices or from national security exchanges and security pricing services. Additional disclosure describing investments in provided in Note 2.

3. Receivables

Accounts receivable are stated net of allowances for uncollectible accounts. Estimated unbilled accounts receivable for the Water, Sewer and Solid Waste funds have been recognized as revenue. Accrued interest receivable consists of amounts earned on investments, notes and contracts at year end.

4. Amounts Due to and from Other Funds and Governments and Interfund Loans

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either *Interfund Loans Receivable*, *Advances to Other Funds*, *Interfund Loan Payable* or *Due To/From Other Funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Activity between the City and other local and state governments that represent amounts to be collected from or paid to other governments. Amounts outstanding at the end of the fiscal year are referred to as *Due from Other Governments* or *Due to Other Governments*.

Loans between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Inventories and Prepaid Items

Inventories are valued at average cost. The inventories of governmental funds, parks fund, proprietary funds, water warehouse, water meter shop, wastewater treatment plant and utilities garage are maintained on a perpetual inventory system. Other reported inventories are determined by physical count.

Reported inventories in governmental funds consist of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased (purchase method). Reported inventories in these funds are fully offset by a fund balance reserve, which indicates they are unavailable for appropriation. A comparison to market value is not considered necessary.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

6. Restricted Assets

The proceeds of enterprise fund revenue bonds, as well as other resources, are restricted by applicable bond ordinances for construction costs and debt service payments. The current portion of related liabilities is shown as Payables from Restricted Assets. Owners and operators of Solid Waste Landfill units are required under the Washington Administrative Code to establish financial assurance for closure and post-closure monitoring of those units.

The restricted assets of the enterprise funds are composed of the following:

Fund	Amount
Current portion of revenue bonds payable	9,645,000
Equity in Pooled Investments - Landfill Liability	8,635,916
Total	**18,280,916**

7. Other Noncurrent Assets

Other Long-Term Assets include demolition liens receivable in the Solid Waste fund.

8. Capital Assets (see Note 4)

Except as noted below, it is the City's policy to capitalize:

- All land;
- All city computers
- All additions and improvements to the city's road system;
- Intangible assets;
- Buildings, building improvements, and leasehold improvements with a cost of $5,000 or more;
- All other capital assets with a unit cost of $5,000 or greater; and
- Right-to-use leased land, buildings, vehicles, and equipment
- Subscription-based information technology arrangements

Capital assets such as property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), right-to-use leased land, right-to-use leased buildings, right-to-use leased equipment, right-to-use leased vehicles, and subscriptions are reported in the applicable governmental or business-type columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, equipment, right-to-use leased assets including land, buildings, equipment, and vehicles, and subscriptions of the primary government are depreciated using the straight line method over the following estimated useful lives.

Category	Useful Life (in Years)
Buildings & Improvements	50-60
Infrastructure	40-60
Other Improvements	60
Light/Heavy Duty Vehicles	5-10
Other Equipment	2-20
Heavy Equipment	10
Water Mains	60
Water Hydrants	50-60
Right-to-use Leased Land	15
Right-to-use Leased Buildings	2-15
Right-to-use Leased Vehicles	2-5
Right-to-use leased Equipment	2-7
Subscription-based IT Arrangements	2-4

9. Compensated Absences

Employees accrue ten days of vacation leave per year for up to five years of service. From five to twenty years, three to four weeks are accrued depending on length of service; five weeks are accrued at the beginning of the twentieth year, and six weeks are accrued at the beginning of the thirtieth year. An employee may accumulate paid vacation leave not to exceed two hundred hours or two times the employee's annual leave accrual, whichever is greater. The City has a policy of payment of the full amount of unused vacation leave up to the maximum accrual allowed upon termination or retirement.

The sick leave policy of the City varies according to the contract provisions of the various bargaining units. The most generous provision provides vesting after five years of service, of 25% of the recorded sick leave at the date of resignation, and 80% upon retirement. There is no cash payment until resignation or retirement and the maximum payout cannot be in excess of 960 hours for any employee.

The City maintains 2 shared leave banks. The first is for International Association of Firefighters Local 29 members. Hour donations to this leave bank ended in 2022 pursuant to the 2022 contract settlement. The second is for all collective bargaining units except for International Association of Firefighters Local 29 members. Employees may donate unused vacation, sick, and compensatory time when they leave the City. Employees must apply to gain access to the hours in the shared leave banks. Approved hours are added to the employee's sick leave bank.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. An additional amount has been accrued for the government's share of Social Security and Medicare Taxes relating to the vacation and sick leave accrual.

10. Termination Benefits

Under the City's Salary Savings Plan, certain police and fire employees are eligible for early retirement incentives. The City must authorize the Salary Savings Plan in order for it to be available to these employees. This incentive is separate from other retirement and post-employment benefits and is not subject to cost of living adjustments.

When authorized, the incentive is placed into a nontaxable account for the recipient to use for healthcare expenses.

11. Leases

Lessee: The City is a lessee for a number of leases for land, office space/buildings, equipment, and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines the (1) discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor in a number of noncancelable leases of building space, land, and cellular phone tower locations. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. Subscription-based IT Arrangements (SBITAs)

The City is party to a number of subscription-based IT arrangements (SBITAs). The City recognizes a SBITA liability and an intangible right-to-use subscription asset in the government-wide financial statements and proprietary fund financial statements.

At the commencement of a SBITA contract, the City initially measures the SBITA liability at the present value of payments expected to be made during the contract term. Subsequently, the SBITA liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for subscription payments made at or before the contract commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines the (1) discount rate it uses to discount the expected lease payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the subscriber as the discount rate. When the interest rate charged by the subscriber is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancelable period of the SBITA. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and SBITA liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

Subscription assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

13. Long-Term Liabilities (See Note 9)

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate to maturity method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred. Net pension asset balances are reported as restricted net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt, including leases, issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The category of deferred outflow of resources reported in the government-wide and proprietary fund statements of net position relates to debt refunding and pensions.

Deferred outflows on debt refunding result when the net carrying value of refunded debt exceeds its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. City contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

Deferred outflows on OPEB are recorded when there is a difference between expected and actual earnings changes in assumptions and difference between projected an actual earnings on plan investments. When these amounts increase OPEB expense they are labeled an outflow. These outflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all the employees that are provided with benefits though the OPEB plan at the beginning of the measurement period.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported by the city relate to unavailable revenue, debt refunding, leases, pensions, and OPEB.

Unavailable revenue arises only under the modified accrual basis of accounting, and so is reported only on the governmental funds balance sheet. Governmental funds report deferred inflows for unavailable revenues primarily from two sources: taxes and long-term receivables. These amounts are recognized as inflows of resources in the periods that the amounts become available.

Deferred inflows on refunding result when the reacquisition price of the refunding debt exceeds the net carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows on leases are recorded when a portion of a lease receivable will not be received in the current year. This amount is deferred and amortized over the life of the lease.

Deferred inflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

Deferred inflows on OPEB are recorded when there is a difference between expected and actual earnings changes in assumptions and difference between projected and actual earnings on plan investments. When these amounts decrease OPEB expense they are labeled an inflow. These inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all the employees that are provided with benefits though the OPEB plan at the beginning of the measurement period.

15. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, and improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- **Restricted** net position consists of restricted assets reduced by certain liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- **Unrestricted** net position consists of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

16. Governmental Fund Balance

The City's governmental fund type fund balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- **Nonspendable**. Balances that either are not in a spendable form or are legally or contractually required to remain intact.

- **Restricted**. Balances that are restricted for specific purposes by the constitution, enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments.

- **Committed.** Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the city, this formal action takes the form of statutes which are passed by the City Council and approved by the Mayor.

- **Assigned.** Balances that are constrained by management to be used for specific purposes, but are neither restricted nor committed. Because the city's CFO is identified by the City of Spokane's Municipal Code as the custodian of all city funds, it is the CFO's responsibility (or their delegate) to provide the proper record keeping services needed to appropriately segregate and identify all fund balances overseen by the custodian.

- **Unassigned.** Residual balances that are not constrained in the other classifications**.**

For purposes of fund balance classification, when both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are used, committed resources are used first followed by assigned and unassigned resources respectively.

The detail of the governmental funds committed and assigned fund balances at December 31, 2025 are shown below:

Fund Balance	General Fund	American Rescue Plan	Nonmajor Government Funds	Total
Nonspendable:				
Interfund loans receivable	653,917	-	-	653,917
Inventories	-	-	1,082,147	1,082,147
Prepaids	27,612	-	-	27,612
Total Nonspendable Fund Balance	**681,529**	**-**	**1,082,147**	**1,763,676**
Restricted for:				
Capital projects	-	-	44,069,206	44,069,206
Debt service	-	-	8,615,105	8,615,105
Impact Fees	-	-	1,558,193	1,558,193
Grants	216,345	209,351	21,628,784	22,054,480
Police/firefighters' pension	-	-	546,171	546,171
Public safety/crime reduction	-	-	1,290,591	1,290,591
Other	-	-	30,754,864	30,754,864
Total Restricted Fund Balance	**216,345**	**209,351**	**108,462,914**	**108,888,610**
Committed for:				
City facilities	-	-	117,926	117,926
Communication	-	-	1,482,914	1,482,914
Transportation	-	-	9,670,839	9,670,839
Public safety	-	-	2,173,216	2,173,216
Culture and recreation	-	-	4,394,380	4,394,380
Total Committed Fund Balance	**-**	**-**	**17,839,275**	**17,839,275**
Assigned for:				
Code enforcement	338,213	-	-	338,213
General Government Encumbrances	1,751,786	-	-	1,751,786
Library capital replacement	3,602,585	-	-	3,602,585
Human Services	-	-	2,849,780	2,849,780
Law enforcement	-	-	757	757
Culture and recreation	-	-	15,990	15,990
City facilities/improvement	-	-	6,207,788	6,207,788
Other purposes	-	-	6,662	6,662
Total Assigned Fund Balance	**5,692,584**	**-**	**9,080,977**	**14,773,561**
Unassigned:	**30,700,995**	**-**	**(128,336)**	**30,572,659**
Total	**37,291,453**	**209,351**	**136,336,977**	**173,837,781**

17. Budgetary Reserves/Control

Contingency Reserve. This account was established in 2001 in the Spokane Municipal Code. At each budget cycle commencing with year 2001 and every year thereafter, an amount from the unappropriated general fund

fund balance at each year end shall be appropriated to the contingency reserve account. Additional funds may be added to the contingency reserve account in such amounts and at such additional times during the ensuing budget year in accordance with standard emergency budget ordinance procedures.

Disbursements from this account are for the purpose of meeting extraordinary expenditures and are governed by the following criteria:

1. Unforeseen circumstances arising after the adoption of the annual budget which require an unavoidable and non-continuing allocation; or

2. Unforeseen emergency threatening health and/or safety of the citizens; or

3. Unanticipated non-continuing expenses are needed to fulfill an unfunded legislative mandate; or

4. Significant operating efficiencies can be achieved resulting in clearly identified near-term and offsetting cost savings. Appropriations from this account are only approved by the standard emergency budget ordinance procedure.

Revenue Stabilization. At each and every year, commencing with the 2008 budget, amounts from the unappropriated general fund fund balance shall be appropriated to the revenue stabilization account until such time the account is funded to the targeted funding level. The initial targeted funding level within the revenue stabilization account was three and one-half percent of budgeted general fund revenues.

Disbursements from the revenue stabilization account may be made to mitigate a general fund revenue shortfall deemed by the City Council to meet the following criteria:

1. Revenue shortfall results from revenue collections considered to be materially short of the amount budgeted, or the revenue shortfall results from projected baseline (existing) budgeted revenues for any ensuing year increasing by less than the assumed long-term revenue growth rate in the City's six-year general fund projection for the immediate year; and

2. The revenue shortfall is expected to persist through the end of the fiscal year; and

3. The revenue shortfall is reasonably expected to persist for a period no longer than three years. A revenue shortfall expected to persist beyond three years shall be directly addressed in the current annual budget process through long-term budget measures.

Disbursements from the revenue stabilization account may include amounts budgeted in the general fund to supplement revenue shortfalls that occur in other city funds. Appropriations from this account are only approved by the standard emergency budget ordinance procedure.

Strategic Reserve. At each and every year, commencing with the year 2020, amounts from the unappropriated general fund's current year positive variance, net of non-cash items shall be appropriated to the strategic reserve account until such time the account is funded to the targeted funding level. The initial targeted funding level within the strategic reserve account is one percent of current year budgeted general fund revenues.

Disbursements from the strategic reserve account may be made for the following purposes:

1. To fund strategic programs or initiatives in the areas of housing, environmental protection, innovation, or

2. Any other project, program, or initiative determined by City Council to be of strategic significance to the City or its people.

Park Fund Reserve. The Parks Fund is overseen by an independent board of commissioners. This board approved a reserve of three percent of the annual budget to be maintained for emergencies, risk management

and economic uncertainty. All appropriations from this reserve account require prior Parks Board approval unless previously specifically authorized for expenditure in the annual budget.

18. Encumbrances

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations which have not yet been fulfilled, cancelled, or discharged. At December 31, 2025, $63.6 million was carried forward to the subsequent budget year as follows, and have been classified as assigned fund balance unless the fund's net position was already classified as restricted net position as follows:

Fund	Amount
General Fund	1,751,786
American Recovery Plan	5,960,922
Nonmajor Governmental Funds	55,874,345
Total	**63,587,053**

F. Other Significant Accounting Policies

Budgeting, Accounting and Reporting System (BARS)

The State of Washington Office of State Auditor was granted authority pursuant to the Revised Code of Washington (RCW 43.09.200 and 43.09.230) to prescribe the Budgeting, Accounting and Reporting System (BARS). The purpose of the BARS manual is to provide for uniformity in budgeting, accounting and reporting by all local government entities within the State of Washington. The City has established its own chart of accounts for accounting purposes and converts to BARS accounts for State reporting.

Note 2

Cash and Investments

Deposits and Investments
The City has the authority to invest in pooled investments (Treasurer's Cash Investments), individual securities and fund investments. The Chief Financial Officer or named designee manages the Spokane Investment Pool (an internal investment pool) and has the authority to determine the availability of funds for pooled and fund investments along with individual security purchases and take into consideration such needs as requests of individual fund managers, current cash needs, and asset/liability matching necessary to optimize interest earnings. Interest earnings on Treasurer's Cash Investments are credited to the General Fund.

Custodial Credit Risk
Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the City would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The City deposits funds only with State of Washington financial institutions approved as qualified public depositories by the Washington State Public Deposit Protection Commission (PDPC). The PDPC, established under chapter 39.58 of the Revised Code of Washington (RCW), makes and enforces regulations and administers a collateral pool program to ensure public funds are protected if a financial institution becomes insolvent. Securities pledged are held by a trustee agent for the benefit of the collateral pool. The City's bank balance is insured by the FDIC up to $250,000 and fully collateralized by the Washington Public Deposit Protection Commission (WPDPC) for amounts over $250,000.

The City's investment policy requires that all investments be held by the City's third party safekeeping agent in the City's name. The City policy states that all security transactions will be settled "delivery versus payment" by the City's safekeeping bank. As of December 31, 2025, all of the $245.1 million investments in U.S. agency debt obligations were registered and held by its safekeeping agent in the City's name. Therefore, the City has no outstanding investments that were exposed to custodial credit risk.

Investment Policy

City Treasurer Investments
The City's investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the primary objectives of safety and liquidity. Core investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

Authority to manage the City's investment program is derived from Spokane Municipal Code 7.15 which delegates responsibility for the City's investment program to the City Investment Committee and daily management responsibility assigned to the Chief Financial Officer or named designee. City investment decisions are governed by the "prudent person rule".

There were no significant investment policy changes during the reporting period.

Employees' Retirement System
The Spokane Employees' Retirement System's (SERS) investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset

classes. SERS' investments are governed by the "prudent person rule". SERS investments are categorized by type to give an indication of the level of risk assumed by SERS.

The Board of Administration for SERS maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. In fulfilling its responsibilities, the Board of Administration has contracted with investment managers, a custodian, an actuarial firm, an independent investment consultant and an auditor. Investment manager contracts include specific guidelines regarding the investments under management. All investments are held in custody. The independent investment consultant monitors the fund on a regular basis and provides quarterly reports to staff and the Board. The SERS' chief investment officer (CIO), who also serves as the Retirement Director, monitors the fund on a regular basis.

The Spokane Employees' Retirement System's policy regarding the allocation of invested assets is established, and may be amended, by a majority vote of the SERS Board. It is the policy of the SERS Board to pursue an investment strategy that meets the projected return requirements while minimizing volatility by diversifying the portfolio across a broad selection of distinct asset classes. The SERS investment policy limits the use of cash equivalents to meeting liquidity requirements and reviews rebalancing needs at least quarterly. There was no change investment policy during the reporting period.

Firefighters' Pension System

The Firefighters' Trust Fund investments are restricted by RCW 41.16.040 and other RCWs as listed in RCW 41.16.040. Authorized investments include investment grade securities issued by the United States, state, municipal corporations, other public bodies, corporate bonds and other investments authorized by RCW. Per the Board's policy, all fixed income securities shall be investment grade or higher at the time of purchase. The overall portfolio average quality must be A+ or higher. There were no significant investment policy changes during the reporting period.

Police Pension System

The Police Pension System assets are held in cash to pay monthly pension benefits and all other claims as they are received. The Police System is funded by sales taxes that are irrevocable once contributed.

Investments

City Treasurer Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, bankers' acceptances, commercial paper, and repurchase agreements. The pension trust funds operate under different guidelines. City investments and those of the pension trust funds are all reported at fair value. Below is a list of city investment limitations.

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio
US Treasury Securities	5 years	100%
Federal Agency Securities	5 years	90%
Individual Issues	5 years	10%
Individual Agency	5 years	40%
FDIC Guaranteed Senior Debt	5 years	30%
Individual Issuer	5 years	10%
Washington State Local Government Investment Pool	90 Days	100%
Non-Negotiable CDs (PDPC Qualified)	5 years	60%
Individual Issuing Bank	5 years	10%
PDPC Financial Institution Accounts	5 years	10%
Banker's Acceptables (must be A1/P1)	5 years	10%
Individual Banks	5 years	2%
Repurchase Agreements	5 years	25%
General Obligation Debt - State/Local	5 years	10%
City of Spokane Notes/Bonds	5 years	15%
Commerical Paper (must be A1/P1)	5 years	10%
Individual Issuer	5 years	2%

Employees' Retirement System

The SERS Board has an asset allocation policy that includes an allocation to alternative investments. Funding of these limited partnerships began in 2007 and continues on an ongoing basis. The term "alternative investments" encompasses a broad category of investments other than traditional asset classes of equites, fixed income and real estate. Each alternative investment that SERS enters into has been carefully studied by the System's Outsourced Chief Investment Office (OCIO) and independent investment consultant. The asset allocation study that was modeled by the independent consultant and completed in 2024 demonstrated that alternative assets have low correlations to traditional asset classes and are expected to add value to the portfolio over time. The OCIO and Board believe the use of alternative investments increases the expected return and reduces the risk of the Plan compared to investing only in traditional asset classes.

The following table shows the City's cash and investments at December 31, 2025:

Deposit Type	Value
Reconciliation of Restricted/Unrestricted Cash and Investments:	
Cash	$ 41,255,460
Petty Cash	429,400
Deposits with Fiscal Agents	3,191,686
Investments	245,177,928
	290,054,474

Interest Rate Risk
Interest rate risk is the risk the City may face should interest rate variances affect the fair value of investments. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in the market interest rates.

City Treasurer Investments
According to its investment policy, the City manages its exposure to interest rate risk by "purchasing a combination of shorter-term and longer-term investments." The City focuses on timing cash flows from maturities so that a portion of the portfolio is maturing as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Employees' Retirement System
Although the SERS Investment Policy does not specifically limit interest rate risk, the System's fixed income portfolio is professionally managed with an expected range of interest rate risk within the portfolio. In addition, the portfolio is closely monitored by the independent consultant and the staff.

Spokane Firefighters' Trust Fund
The Fire investment policy targets that the average portfolio duration will be 2.5 to 5 years, with no duration limits on individual holdings.

Police Pension System
The Police investment policy requires all assets to be held in cash which does not have any interest rate risk.

The City is in compliance with its policies.

The following table shows the City's invested assets and the pension fund assets by investment type, fair value, segmented maturities, and by the average effective duration as of December 31, 2025.

		Maturity				
Interest Rate Risk	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**	**Effective Duration (in years)**
City Treasurer Investments Categorized						
US Government Agencies	135,584,600	69,815,800	65,768,800	-	-	1.35
US Government Treasuries	40,055,750	14,899,850	25,155,900	-	-	1.05
Municipal Bonds	33,360,726	-	33,360,726	-	-	3.27
Strip Bonds	36,176,852	-	36,176,852	-	-	3.81
Total investments categorized	**245,177,928**	**84,715,650**	**160,462,278**	**-**	**-**	
Pension Trust Funds						
Employees' Retirement System						**Average Maturity**
Fixed Income Mutual Funds	8,588,437	8,588,437	-	-	-	7.52
Corporate Notes and Bonds	13,905,372	838,657	4,991,406	6,101,169	1,974,140	8.15
Asset Backed Securities	2,618,084	275,891	1,386,912	499,179	456,102	1.45
Governmental CMOs	15,156,924	-	-	34,781	15,122,143	9.62
Municipal Bonds	600,033	-	339,672	174,140	86,221	0.26
Mortgage Backed Securities						
Government Pass Through	1,453,736	-	367,862	173,335	912,539	0.78
U.S. Government Treasuries	6,688,473	956,350	-	1,376,335	4,355,788	3.47
Total investments categorized	**49,011,059**	**10,659,335**	**7,085,852**	**8,358,939**	**22,906,933**	**4.46**
Investments not required to be categorized:						
Cash equivalents	7,666,898	-	-	-	-	
Equity securities	195,807,056	-	-	-	-	
Real estate	26,126,386	-	-	-	-	
Alternative investments	128,034,544	-	-	-	-	
Total investments not categorized	**357,634,884**	**-**	**-**	**-**	**-**	
Total Investments	**406,645,943**	**10,659,335**	**7,085,852**	**8,358,939**	**22,906,933**	
Firefighters' Pension System						**Average Maturity**
US Government Treasuries	8,573,668	-	-	2,601,031	5,972,637	4.08
Mortgage Backed Securities						
Government Pass Through	4,342,418	-	93,644	417,921	3,830,853	4.25
Government CMOs	3,690,954	-	-	391,204	3,299,750	5.34
Corporate Bonds/Notes	14,204,973	283,919	7,696,963	6,149,481	74,610	3.92
Asset Backed Securities	1,317,542	195,120	432,668	689,754	-	3.15
Total investments categorized	**32,129,555**	**479,039**	**8,223,275**	**10,249,391**	**13,177,850**	**4.15**
Investments not required to be categorized:						
Cash equivalents	3,713,990	-	-	-	-	
Total investments not categorized	**3,713,990**	**-**	**-**	**-**	**-**	
Total Investments	**35,843,545**	**479,039**	**8,223,275**	**10,249,391**	**13,177,850**	
Police Pension System						
Investments not required to be categorized:						
Cash equivalents	20,084	-	-	-	-	
Total Investments	**20,084**	**-**	**-**	**-**	**-**	

Credit Risk

City Treasurer Investments

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating

organization. Presented below is the actual rating as of the end of the year 2024 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit (CD) and Demand Deposit Accounts (DDA) are protected by the Federal Deposit Insurance Corporation (FDIC) insurance up to $250,000. All CD and DDA deposits not covered by FDIC are covered by the Washington State Public Deposit Protection Commission (PDPC) of the State of Washington. The PDPC is a statutory authority established under the Revised Code of Washington (RCW) 39.58. It constitutes a fully insured or fully collateralized pool.

All securities registered in the City's name carry a minimum rating of Aa2/AA from Moody's and/or Standard and Poor's respectively.

Employees' Retirement System
Although the SERS Investment Policy does not specifically address credit risk, this risk is mitigated by closely monitoring the credit quality ratings of its fixed income portfolios and by setting criteria for fixed income manager selection. SERS' fixed income assets are comprised of one institutional mutual fund, one commingled investment trust, and one separately managed account targeting different levels of credit risk.

Spokane Firefighters' Trust Fund
The Fire investment policy requires that all fixed income securities shall be investment grade or higher at the time of purchase. Specifically, fixed income securities shall not be rated lower than BBB- by Standard & Poor's rating at the time of purchase and any securities subsequently downgraded require specific written permission to hold. The average quality for the overall portfolio must be A+ or higher.

Police Pension System
The Police investment policy requires that all assets are held in cash which bears no credit risk.

The City is in compliance with its policies.

The following table shows the City's internal investment pool assets and the Pension Fund assets by credit rating and fair value as of December 31, 2025.

		Investment Credit Rating				
Investment Type	**Fair Value**	**AAA**	**AA**	**A**	**BBB**	**Not Rated**
US Government Agencies	135,584,600	-	135,584,600	-	-	-
U.S. Government Treasuries	40,055,750	-	35,156,300	-	-	4,899,450
Municipal Bonds	33,360,726	3,733,488	29,627,238	-	-	-
Strip Bonds	36,176,852	-	9,049,803	-	-	27,127,049
Total	**245,177,928**	**3,733,488**	**209,417,941**	**-**	**-**	**32,026,499**
Employees' Retirement System						
Fixed Income Mutual Funds	8,588,437	-	-	-	-	8,588,437
Corporate Notes and Bonds	13,905,372	321,631	1,303,166	8,912,507	3,368,068	-
Asset Backed Securities	2,618,084	1,299,217	775,071	-	-	543,796
Governmental CMOs	15,156,924	-	-	-	-	15,156,924
Municipal Bonds	600,033	437,887	157,530	4,616	-	-
Mortgage Backed Securities						
Governmental Passthrough	1,453,736	81,662	-	-	-	1,372,074
U.S. Government Treasuries	6,688,473	-	-	-	-	6,688,473
Total	**49,011,059**	**2,140,397**	**2,235,767**	**8,917,123**	**3,368,068**	**32,349,704**
Firefighters' Pension System						
US Government Treasuries	8,573,668	-	8,573,668	-	-	-
Mortgage Backed Securities						
Government Pass Through	4,342,418	-	4,342,418	-	-	-
Government CMOs	3,690,954	-	3,690,954	-	-	-
Corporate Bonds/Notes	14,204,973	-	248,810	5,917,353	8,038,810	-
Asset Backed Securities	1,317,542	99,362	787,384	195,120	235,676	-
Total	**32,129,555**	**99,362**	**17,643,234**	**6,112,473**	**8,274,486**	**-**

Concentration of Credit Risk

City Treasurer Investments

Concentration risk disclosure is required for all investments in any one issue that is five percent or more of the total of the City's investments. The following include Financial, State, or Municipal Government and Government Sponsored Agencies. The City did not have any holdings in organizations that represent five percent or more of the City's total investments.

Employees' Retirement System

SERS' has no holdings by an issuer that represent five percent or more of SERS' investments. SERS holdings in organizations that manage five percent or more of the Plan's net assets at December 31, 2025 were:

Organization	% of Net Position
City of Spokane Employees' Retirement System	
State Street Global Advisors	29.7%
Loomis Sayles	11.6%
Segal Bryant	5.0%
Evanston Capital Management	3.4%
Hotchkis & Wiley	3.0%
Artisan Partners	2.3%
EuroPacific American Funds	2.1%

Firefighters' Pension System
The Firefighters' Trust Fund holdings in issuers that represent five percent or more of the Plan's net assets at December 31, 2025 were:

Organization	% of Net Position
City of Spokane Firefighter's Pension System	
U.S. Treasury notes	43.5%
Fannie Mae	7.6%

Police Pension System
The Police Pension System did not have any holdings in organizations that represent five percent or more of the System's fiduciary net position.

Foreign Currency Risk

City Treasurer Investments
Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

The City investment policy requires all assets to be held in US Dollars. At December 31, 2025, there were no holdings exposed to foreign currency risk.

Employees' Retirement System
At December 31, 2025, 21.0% of the System's portfolio is invested in foreign issued securities, which primarily consist of equities, fixed income and alternative investments. The SERS Investment Policy does not specifically address foreign currency risk; however, the System considers foreign currency risk during the selection and monitoring process of fund managers. The fair value of the foreign investments as of December 31, 2025 was:

Category	Total Investments	US Issues	Foreign Issues	% Foreign
Cash	7,666,898	7,666,898	-	0.0%
Fixed Income	49,011,059	47,620,628	1,390,431	2.8%
Equities	195,807,056	128,076,746	67,730,310	34.6%
Real Estate	26,126,386	26,126,386	-	0.0%
Alternatives	128,034,544	111,880,874	16,153,670	12.6%
Total	**406,645,943**	**321,371,532**	**85,274,411**	**21.0%**

Spokane Firefighters' Trust Fund
The Fire investment policy does not allow investments in foreign issuances. At December 31, 2025, there were no holdings exposed to foreign currency risk.

Police Pension System
The investment policy requires all asset to be held in US Dollars. At December 31, 2025, there were no holdings exposed to foreign currency risk.

Spokane Investment Pool

This is an internal investment pool that is utilized for the investment of funds at the fund level. Fund ownership is measured by the actual amount of funds invested. The investment strategy is at the directive of the Chief Financial Officer. The interest earnings of the pool are allocated monthly based on a proportionate share of earnings for such funds that held an average book value of more than $2.5 million. Unrealized Gains and Losses are allocated based on the percentage of book value owned by the funds.

Investments in Local Government Investment Pool (LGIP)

The City of Spokane is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy annually and proposed changes are reviewed by the LGIP advisor Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized costs which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth in GASB standards. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98540-0200, online at http://www.tre.wa.gov.

Fair Value Measurement

The city categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. In accordance with GASB standards, the following hierarchy is utilized:

- Level 1 – Quoted prices for an identical asset in an active market
- Level 2 – Market value where prices are determined using observable inputs
- Level 3 – Market value where prices are determined using unobservable inputs

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Fixed income and equity investments classified as Level 1 in the fair value hierarchy are valued directly from a predetermined primary external pricing vendor.

Investments classified as Level 2 represent proportional ownership in a Collective Investment Trust (CIT). All assets in the CIT have observable prices in active markets, with the fair value of the CIT representing a proportionate share of all underlying assets held in the CIT.

The following table presents fair value measurements as of December 31, 2025:

Investment by fair value level	12/31/2025	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	(NAV)
US Government Agencies	135,584,600	135,584,600	-	-	-
US Government Treasuries	40,055,750	40,055,750	-	-	-
Municipal Bonds	33,360,726	33,360,726	-	-	-
Strip Bonds	36,176,852	36,176,852	-	-	-
Total	**245,177,928**	**245,177,928**	**-**	**-**	**-**
Pension Trust Funds					
Employees' Retirement System					
Cash Equivalents	7,666,898	7,666,898	-	-	-
Total Cash Equivalents	**7,666,898**	**7,666,898**	**-**	**-**	**-**
US Government	23,299,133	23,299,133	-	-	-
US Corporate Fixed Income	13,682,969	-	13,682,969	-	-
International Fixed Income	222,403		222,403	-	-
Asset Backed Securities	2,618,084	-	2,618,084	-	-
Municipal Bonds	600,033	-	600,033	-	-
Fixed Income Mutual Funds	8,588,437	8,588,437	-	-	-
Total Fixed Income	**49,011,059**	**31,887,570**	**17,123,489**	**-**	**-**
US Common Stock	16,569,237	16,569,237	-	-	-
International Common Stock	1,418,025	1,418,025	-	-	-
Equity Mutual funds	50,061,002	50,061,002	-	-	-
Total Equities	**68,048,264**	**68,048,264**	**-**	**-**	**-**
Real estate	26,126,386	8,600,437	-	-	17,525,949
Alternative investments	255,793,336	-	-	-	255,793,336
Total - All Investments	**406,645,943**	**116,203,169**	**17,123,489**	**-**	**273,319,285**
Firefighters' Pension System					
Cash Equivalents	3,713,990	3,713,990	-	-	-
Total Cash Equivalents	**3,713,990**	**3,713,990**	**-**	**-**	**-**
US Government Treasuries	8,573,668	8,573,668	-	-	-
Mortgage Backed Securities					
Government Pass Through	4,342,418	-	4,342,418	-	-
Government CMOs	3,690,954	-	3,690,954	-	-
Corporate Bonds/Notes	14,204,973	-	14,204,973	-	-
Asset Backed Securities	1,317,542	-	1,317,542	-	-
Tota Fixed Income	**32,129,555**	**8,573,668**	**23,555,887**	**-**	**-**

The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the table below:

Investment Category	Net Asset Value (NAV)	Unfunded Commitments	Redemption Frequency	Redemption Notice
Commingled equity funds	146,790,008	-	Daily	N/A
Commingled fixed income funds	54,645,339	-	Daily	N/A
Hedge funds	49,450,121	4,292,905	N/A, Monthly, quarterly, semi-annual	30-90 days
Real estate funds	17,525,949	1,010,752	N/A, quarterly with queue	90 days
Fixed income funds	4,907,868	-	Quarterly	90 days
Total	**273,319,285**	**5,303,657**		

Commingled equity funds – ten funds that invest primarily in domestic and international equity markets. The commingled equity funds are valued at net asset value of units held based on underlying holdings.

Commingled fixed income funds – two funds that invest primarily in the domestic bond markets. The commingled fixed income funds are valued at net asset value of units held based on underlying holdings.

Hedge funds – five hedge funds that invest long and short to generate outsize risk-adjusted returns. One fund that seeks to generate consistent positive returns with low volatility and low net market exposure. Two funds that invests across fundamental equity, quantitative strategies, equity arbitrage, and fixed income and commodities. Two funds that invest in private credit.

Real estate funds – four funds that invest primarily in commercial real estate properties and debt instruments. The fair values of these funds have been determined using net assets valued based on the appraised value of the holdings. Four funds are not eligible for redemption with distributions received as underlying investments within the funds are liquidated, which on average can occur over the span of 5 to 10 years. One fund allows for quarterly redemptions subject to a queue and provides quarterly distributions based on the net operating profit of the properties owned.

Fixed income funds – two funds that invest in less liquid or distressed debt securities. All funds unit net asset value is based on the value of the underlying holdings.

Note 3
Property Taxes

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. The county assessor is responsible for determining what the individual property taxes are, based upon the monies requested by the taxing districts and the assessed valuation within these districts. The property tax timeline is as follows:

January 1	Taxes are levied and become an enforceable lien against properties
February 14	Tax bills are mailed
April 30	First of two equal installment payments due
May 31	Assessed value of property established for next year's levy at 100% of market value
October 31	Second of two equal installment payments due

In governmental funds, property taxes are recorded as receivables when levied, offset by a deferred inflow of resources. Property taxes collected within 60 days after year-end are considered measurable and available and are recognized as revenues in the fund statements. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

The City is permitted by law to levy up to $3.60 per $1,000 of assessed valuation for general governmental services. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate. Special levies approved by the voters are not subject to the limitations listed above. The following special levies exist:

- Emergency Medical Services
- General Obligation Bonds
- Park Bond (UTGO 2015 Bond)
- Library Bond (UTGO 2018 Bond)

The following table reflects the levy amounts and tax assessments that will be collected in the subsequent year. See additional information in Schedule 6 of the statistical section.

Property Tax Levy Type	**Total Levy (in thousands)**	**Amount per $1,000 Assessed Valuation**
Regular	70,733	2.006792
Regular Senior Lift	7,074	0.202836
EMS	17,607	0.499537
Bond	3,213	0.093929
Park Bond	7,635	0.218923
Total	**106,262**	**3.022017**

Note 4
Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

Capital Assets	Jan 01, 2025 Beginning Balance	Increases	Decreases	Dec 31, 2025 Ending Balance
GOVERMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	845,829,841	162,398	-	**845,992,239**
Construction in progress	14,678,680	17,412,596	(9,027,152)	**23,064,124**
Total capital assets, not being depreciated	860,508,521			**869,056,363**
Capital assets, being depreciated:				
Buildings	197,427,038	1,759,198	(2,770)	**199,183,466**
Accumulated depreciation[1]	(64,790,917)	(4,065,951)	-	**(68,856,868)**
Net buildings	132,636,121			**130,326,598**
Other improvements	158,327,133	4,150,624	(17,453)	**162,460,304**
Accumulated depreciation[1]	(98,739,118)	(9,125,024)	6,788	**(107,857,354)**
Net other improvements	59,588,015			**54,602,950**
Machinery and equipment	132,016,586	10,943,549	(5,933,365)	**137,026,770**
Accumulated depreciation[1]	(81,574,119)	(11,496,408)	5,739,879	**(87,330,648)**
Net machinery and equipment	50,442,467			**49,696,122**
Infrastructure	1,263,665,422	19,633,587	-	**1,283,299,009**
Accumulated depreciation	(703,890,603)	(27,705,185)	-	**(731,595,788)**
Net infrastructure	559,774,819			**551,703,221**
Intangible assets	4,998,515	-	(275,078)	**4,723,437**
Accumulated amortization	(3,397,184)	(344,370)	275,078	**(3,466,476)**
Net intangible assets	1,601,331			**1,256,961**
Right-to-use leased land	51,104	-	-	**51,104**
Accumulated amortization	(25,552)	(12,776)	-	**(38,328)**
Net leased land	25,552			**12,776**
Right-to-use leased buildings	3,593,159	74,183	(98,178)	**3,569,164**
Accumulated amortization	(666,432)	(207,616)	98,178	**(775,870)**
Net leased buildings	2,926,727			**2,793,294**
Right-to-use leased machinery and equipment	1,775,030	295,353	(211,137)	**1,859,246**
Accumulated amortization	(576,632)	(466,516)	211,137	**(832,011)**
Net leased machinery and equipment	1,198,398			**1,027,235**
Right-to-use subscription asset	9,677,810	2,288	(497,243)	**9,182,855**
Accumulated amortization	(3,614,898)	(1,798,981)	497,243	**(4,916,636)**
Net right-to-use subscription assets	6,062,912			**4,266,219**
Total Capital assets, being depreciated (net)	814,256,342			**795,685,376**
Governmental Activities, Capital Assets (net)	1,674,764,863			**1,664,741,739**

Capital Assets	Jan 01, 2025 Beginning Balance	Increases	Decreases	Dec 31, 2025 Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 15,589,276	$ 104,388	$ -	$ **15,693,664**
Construction in progress[1]	25,221,272	35,191,648	(11,442,067)	**48,970,853**
Total capital assets, not being depreciated	40,810,548			**64,664,517**
Capital assets, being depreciated:				
Buildings	583,122,632	9,904,426	(3,182,576)	**589,844,482**
Accumulated depreciation[1]	(226,343,260)	(12,687,398)	22,980	**(239,007,678)**
Net buildings	356,779,372			**350,836,804**
Other improvements[1]	112,935,879	2,727,098	(930,530)	**114,732,447**
Accumulated depreciation[1]	(77,530,404)	(3,233,906)	-	**(80,764,310)**
Net other improvements	35,405,475			**33,968,137**
Machinery and equipment	190,063,525	9,668,124	(6,425,485)	**193,306,164**
Accumulated depreciation[1]	(135,756,338)	(9,963,797)	5,004,402	**(140,715,733)**
Net machinery and equipment	54,307,187			**52,590,431**
Infrastructure	906,302,728	48,529,314	(20,474,900)	**934,357,142**
Accumulated depreciation	(280,158,062)	(17,106,491)	154,923	**(297,109,630)**
Net infrastructure	626,144,666			**637,247,512**
Intangible assets	113,766	-	-	**113,766**
Accumulated amortization	(97,839)	(2,276)	-	**(100,115)**
Net intangible assets	15,927			**13,651**
Right-to-use leased land	3,643,955	-	-	**3,643,955**
Accumulated amortization	(480,666)	(237,246)	-	**(717,912)**
Net leased land	3,163,289			**2,926,043**
Right-to-use leased machinery and equipment	1,214,917	-	(285,563)	**929,354**
Accumulated amortization	(621,055)	(214,153)	285,563	**(549,645)**
Net leased machinery and equipment	593,862			**379,709**
Total Capital assets, being depreciated (net)	1,076,409,778			**1,077,962,287**
Business-Type Activities, Capital Assets (net)	$ $ 1,117,220,326			$ **1,142,626,804**
[1]Beginning Balance Restated				

DEPRECIATION/AMORTIZATION:	
Governmental Activities:	
General government	$ 1,281,826
Judicial	199,724
Public safety	8,070,082
Transportation	28,941,126
Economic environment	1,199,566
Social Services	809,554
Culture and recreation	14,720,949
Total Depreciation Expense - Governmental Activities	$ **55,222,827**
Business-Type Activities:	
Water/Sewer	$ 34,642,074
Solid Waste	8,204,103
Other	599,090
Total Depreciation Expense - Business-Type Activities	$ **43,445,267**

The City paid $4,507,799 in interest expense related to business-type activities during 2025. None of this balance was capitalized.

Note 5
Pension Plans

A. GENERAL

The City administers two single-employer and one multi-employer defined benefit retirement plans:

- Spokane Employees' Retirement System (SERS)
- Spokane Firefighters' Pension
- Spokane Police Relief and Pension

The Law Enforcement Officers' and Fire Fighters' (LEOFF) system is a contributory multi-employer cost-sharing system operated by the State of Washington.

The following table represents the aggregate pension amounts for all plans for the year 2025:

Aggregate Pension Amounts – All Plans		
Pension liabilities	$	(248,648,694)
Pension assets		65,958,392
Deferred outflows of resources		111,267,290
Deferred inflows of resources		(36,660,836)
Pension expense/expenditures		28,128,330

B. PLAN DESCRIPTIONS

Spokane Employees' Retirement System
The Spokane Employees' Retirement System (SERS) is a multiple employer defined benefit pension plan covering employees of the City of Spokane, the Public Facilities District, and Spokane Regional Emergency Communications, administered in accordance with Chapters 3.05 and 4.14 of the Spokane Municipal Code (SMC).

SERS is a pension trust fund of the City of Spokane and is presented within the fiduciary funds of the City's annual comprehensive financial report. SERS has separate legal standing. The City is financially accountable for SERS because a financial burden is imposed on the City using the criteria of financial accountability. SERS has determined that there are no entities that require inclusion within its financial statements.

All permanent employees of the participating employers, including employees of the Plan, are required to join SERS with the exception of elected officials who have the option to join SERS and police or firefighters who are members of the Washington State Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

Management of SERS is vested in the SERS Board, which consists of nine members—four members are elected by active employee plan members, three members are appointed by the Spokane City Council (one of which is a council member, one member, the Mayor or the Mayor's designee, and one member (who may not be an elected official or employee of the city) is appointed by the other eight Board members.

SERS provides retirement, death, and disability benefits. All employees hired before January 1, 2009, who participate in SERS, are eligible for service retirement after completing five years of service if they are age 50 or older. Their retirement benefits are calculated by multiplying 2.15% of the member's highest consecutive two-year average salary by the member's years of creditable service, not to exceed 64.50%. Employees hired

prior to January 1, 2009, have a choice at retirement of choosing a 2.15% multiplier with a service cap of 30 years or a 2.00% multiplier with a service cap of 35 years.

All employees hired on or after January 1, 2009 but before January 1, 2015, who participate in SERS, are eligible for service retirement after completing five years of service and are age 50 or older; however, this group of employees must have their age, plus years of service, equal to 75 or reach the normal retirement age of 62. Their retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive two-year average salary by the member's years of creditable service, to a maximum of 70.00%.

All employees hired on or after January 1, 2015 but before January 1, 2018, who participate in SERS, are eligible for service retirement after completing seven years of service and are age 50 or older; however, this group of employees must have their age plus years of service equal to 80 or reach the normal retirement age of 65. Their retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive three-year average salary by the member's years of creditable service, to a maximum of 70.00%.

All employees hired on or after January 1, 2018, who participate in SERS, are eligible for service retirement after completing seven years of service and reach the normal retirement age of 65. Early retirement, with no reduction of benefits, may be elected when an employee's age plus years of service equal to 90 before or if they are age 50 or older and have completed 30 years of service. A reduced early retirement may be elected with benefits reduced by 2.5% per year for each year before the retiree would be eligible for full retirement. Their retirement benefits are calculated by multiplying 2.00% by the member's years of creditable service times the member's highest consecutive three-year average salary, with an annual cap on overtime plus base pay equal to 120% of base pay. The maximum of retirement factor is 80.00%

For all employee groups, benefits may be reduced on an actuarially equivalent basis according to the retirement annuity option selected for themselves and their beneficiaries.

The SERS Board of Administration considers issuing an ad hoc adjustment for retiree benefits each year. The Board can grant an ad hoc adjustment if the AAL funded ratio is 90% or greater and remains above 90% after the ad hoc adjustment is granted. The AAL funded ratio was less than 90% as of December 31, 2024. The last ad hoc retiree adjustment occurred in 2001. Based on the current AAL funded ratio, it will take continued significant favorable experience in the investment markets or a future increase in contribution levels to raise the funded ratio above the ad hoc threshold.

Firefighters' Pension System

The Firefighters' Pension System is a single-employer defined benefit pension plan established and administered by the City in accordance with the requirements of the Revised Code of Washington.

The plan provides retirement and medical benefits to all firefighters who were hired prior to March 1, 1970 (Pre-LEOFF officers). Firefighters hired on or after March 1, 1970 but before October 1, 1977, (LEOFF 1 officers) receive their pensions from the State of Washington and medical coverage from the City of Spokane. Firefighters hired after October 1, 1977 (LEOFF 2 officers) are not covered by these plans. According to RCW 41.26.090, "[a]ny member having five or more service credit years and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service."

The plan provides death, disability, and medical benefits. The City is responsible for the medical expenses for active and retired employees covered under this plan.

The Board consists of five members—the Mayor or his/her designated representative who shall be an elected official of the City, the City Clerk, the Chairperson of finance of City Council and two regularly employed or retired firefighters. The two firefighters select a third eligible member who serves as an alternate in the event of the absence of one of the firefighters.

The Firefighters' Pension Board was established pursuant to the authority of RCW 41.16.020, and its powers, duties and responsibilities are established by state law.

The State of Washington contributes 25% of taxes collected on fire insurance premiums to the Firefighters' Pension System and is considered a non-employer contributing entity. The revenue received through this tax amounted to $512,228 in 2025.

Police Relief and Pension System
The Police Relief and Pension System is a single-employer defined benefit pension plan established and administered by the City in accordance with the requirements of the Revised Code of Washington.

The plan provides retirement and medical benefits to all uniformed police who were hired prior to March 1, 1970 (Pre-LEOFF officers). Police hired on or after March 1, 1970 but before October 1, 1977 (LEOFF 1 officers), receive their pensions from the State of Washington and medical coverage from the City of Spokane. Police hired after October 1, 1977 (LEOFF 2 officers) are not covered by these plans. According to RCW 41.26.090, "[a]ny member having five or more service credit years and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service."

The plan provides death, disability, and medical benefits. The City is responsible for the medical expenses for active and retired employees covered under this plan.

The Board consists of seven members—the Mayor or his/her designated representative who shall be an elected official of the City, the Council President, the City Clerk, the City Treasurer and three active or retired members of the Police Department.

The Police Pension Board was established pursuant to the authority of RCW 41.20.010 and its powers, duties and responsibilities are established by state law.

Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plans 1 and 2
LEOFF was established in 1970 by the State Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

LEOFF 1
LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
More than 10 but less than 20 years	1.5%
More than 5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

LEOFF 2
LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Plan Membership
Membership of each City administered plan in which the city is a contributing employer, as of the last actuarial valuation, is as follows:

Plan	Inactive Members or Beneficiaries Receiving Benefits	Inactive Members Entitled To But Not Receiving Benefits	Active Plan Members	Total Members	Membership as of the latest actuarial valuation
Employees' Retirement System	1,649	172	1,627	3,448	12/31/2025
Firefighters' Pension System	84	-	-	84	12/31/2025
Police Pension System	80	-	-	80	12/31/2025
Total	**1,813**	**172**	**1,627**	**3,612**	

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
For purposes of measuring the net pension liability, deferred outflows/deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, employee and employer contributions are recorded as revenues in the period in which payroll is due and benefit payments, including refunds of employee contributions, are recognized when due and payable. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Investments are reported at fair value.

Stand Alone Statements
The methods and assumptions required for financial reporting are the same methods and assumptions used in determining a plan's funding requirement and are described in the publicly available financial statements for SERS and actuarial reports for the Police and Firefighters' pension plans administered by the City of Spokane. Those stand-alone statements for the SERS retirement systems may be obtained by writing to the Retirement Department, City Hall, 808 West Spokane Falls Blvd, Suite 604, Spokane, Washington, 99201 or by calling (509) 625-6330.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for each plan. The DRS annual comprehensive financial report may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98540-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Use of Estimates
Management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at year end, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. DEPOSITS AND INVESTMENTS

Rate of Return
The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested is presented in a table below for all plans.

SERS, Firefighters', and Police Pension
The long-term expected rate of return on pension plan investments was determined using statistical methods to determine the best-estimate future real rate of return (net of pension plan investment expense and inflation) based on long-term performance of the major asset classes. These returns are used to determine the estimated portfolio return based on the target asset allocation percentage of each asset class.

LEOFF 1 & 2
The long-term expected rate of return on the DRS pension plan investments is 7.0%. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB used the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, is shown in the table below:

	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Rate of return	13.57%	7.30%	7.35%	9.48%	9.56%

Estimated Rates of Return
Below are the estimated real rates of return for the various pension plans as of December 31, 2025:

Long-Term Expected Real Rate of Return	SERS	Firefighters'	Police	LEOFF 1[1]	LEOFF 2[1]
Global equity	7.00%	-	-	5.60%	5.60%
US fixed income	3.40%	1.50%	-	2.10%	2.10%
Long Biased	4.90%	-	-	-	-
Opportunistic Credit	7.50%	-	-	-	-
Real estate	5.30%	-	-	4.80%	4.80%
Private equity	-	-	-	8.60%	8.60%
Master Limited Parnership	6.00%	-	-	-	-
Tangible assets	-	-	-	4.50%	4.50%

[1]The inflation component used to create the table is 2.5 percent and represents WSIB's most recent long-term estimate of broad economic inflation.

Investments
Each plan's investments may be used only for the benefit of the members of that plan in accordance with the terms of the plan.

No investments were made in loans to or leases with any Plan official, government employer official, or party related to a Plan official.

Spokane Employees' Retirement System
The SERS investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. SERS' investments are governed by the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the System. SERS' investments are categorized by type to give an indication of the level of risk assumed by the System.

Investments of the pension trust funds are reported at fair value. The Board maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. SERS investments are governed by an investment standard known as the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the Plan. In fulfilling its responsibilities, the Board has contracted with investment managers, a custodian, an independent investment consultant and an outsourced chief investment office (OCIO). Investment manager contracts include specific guidelines regarding the investments under management. All investments are held in custody. The OCIO and independent investment consultant monitor the fund on a regular basis and provides quarterly reports to staff and the Board.

The System is a long-term investor with a perpetual investment horizon, anticipating ongoing investment cycles with both good and bad years for financial markets. Investments are diversified to reduce investment risk and mitigate the risk of underperforming the actuarial rate of return. While annual market performance is unlikely to match the actuarial rate of return in any given year, long-term returns are expected to be in line with the assumption based on the diversified nature of the portfolio. Each alternative investment that SERS enters into has been carefully studied by the System's Outsourced Chief Investment Office (OCIO) and independent investment consultant. The asset allocation study that was modeled by the independent consultant and completed in 2024 demonstrated that alternative assets have low correlations to traditional asset classes and are expected to add value to the portfolio over time. The OCIO and Board believe the use of alternative investments increases the expected return and reduces the risk of the Plan compared to investing only in traditional asset classes.

Firefighters' Pension System
The investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. Investments are governed by the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the System.

Investments of the trust funds are reported at fair market value. The Board of Administration maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. In fulfilling its responsibilities, the Board of Administration has contracted with an investment manager, a custodian, and an independent investment consultant. The investment manager contract includes specific guidelines regarding the investments under management. All investments are held in custody. The independent investment consultant monitors the fund on a regular basis and provides annual

reports to staff and the Board. The Retirement Director monitors the fund on a regular basis.

Police Relief and Pension System
The Police Pension System assets are held in cash to pay monthly pension benefits and all other claims as they are received. The Police System is funded by sales taxes that are irrevocable once contributed.

Target Asset Allocations

The target asset allocations as of December 31, 2025 were:

Target Allocation	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
US equity	25%	-	-	-	-
Global equity	20%	-	-	30%	30%
US fixed income	25%	100%	-	19%	19%
Hedge Funds	14%	-	-	-	-
Real estate	8%	-	-	18%	18%
Private equity	3%	-	-	25%	25%
Private credit	3%				
Master limited partnerships	2%				
Tangible assets	-	-	-	8%	8%
	100%	**100%**	**0%**	**100%**	**100%**

Methods Used to Value Investments
All fixed income, common stock, and short-term investments are reflected in the Statement of Fiduciary Net Position and are listed at fair market value. Fixed income securities and common stock traded on national exchanges are valued at the last reported sales price. This market value methodology of pricing is performed by Interactive Data Corporation on a daily basis. Bloomberg and Merrill Lynch are also pricing sources. Investments that do not have an established market are reported at estimated fair value.

Certain investments, such as mutual funds and limited partnerships, deduct their management fees before the fund itself reports net investment income for the period. These investment expenses are netted against investment income in the Statement of Changes in Fiduciary Net Position to arrive at a net investment income amount.

Investments are exposed to various risks, such as interest rate, market, credit, and regulatory risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect total net position and the amounts reported in the Statement of Fiduciary Net Position. See Note 2 for additional information related to interest rate and credit risk.

E. NET PENSION LIABILITY (ASSET)

The components of the net pension liability (asset) was calculated based on the actuarial reports dated December 31, 2024 for SERS, Firefighters' and Police, and dated as of June 30, 2025 for LEOFF Plan 1 & 2 are shown in the table below.

Net pension liability (Asset)					
Component	**SERS**	**Firefighters'**	**Police**	**LEOFF 1[1]**	**LEOFF 2[1]**
Total pension liability	612,123,157	9,384,975	3,906,385	36,346,223	427,596,413
Plan fiduciary net position	367,341,343	6,502,178	886,248	64,703,765	465,197,262
LESS (SREC)	(2,036,054)	-		-	-
Net pension liability (asset)	**242,745,760**	**2,882,797**	**3,020,137**	**(28,357,542)**	**(37,600,850)**
Plan fiduciary net position as a % of total pension liability	60.0%	69.3%	22.7%	178.02%	108.79%
[1]Total pension liability (TPL) calculated by the Office of the State Actuary (OSA)					

The amount of the asset reported above for LEOFF Plans 1 and 2 reflect a reduction for State pension support provided to the City of Spokane. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City of Spokane were as follows:

	LEOFF 1 Asset	**LEOFF 2 Asset**
Employer's proportionate share	(28,357,542)	(37,600,850)
State's proportionate share of the net pension asset associated with the employer	(191,809,708)	(24,133,240)
TOTAL	**(220,167,249)**	**(61,734,089)**

At December 31, 2025 the City of Spokane's proportionate share of the collective net pension liabilities (assets) was as follows:

	Proportionate Share 12/31/24	**Proportionate Share 12/31/25**	**Change in Proportion**
LEOFF 1	0.909117%	0.894973%	-0.014144%
LEOFF 2	2.097458%	1.940672%	-0.156786%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2025. Historical data was obtained from

a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2025, the state of Washington contributed 39.0 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61.0 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2025, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2024, with update procedures used to roll forward the total pension liability to the measurement date.

F. ACTUARIAL ASSUMPTIONS

SERS, Firefighters & Police Pension Systems
The total net pension liability was determined by an actuarial evaluation using the following actuarial assumptions, applied to all periods in the measurement. For all three plans, the measurement date was December, 31, 2024.

LEOFF 1 & 2
The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2024 to June 30, 2025, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases**: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.0%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in assumptions and methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

	Employees' Retirement System	Firefighters' Pension System	Police Pension System	LEOFF 1	LEOFF 2
Valuation date	12/31/2025	12/31/2025	12/31/2025	6/30/2024	6/30/2024
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	frozen initial liability	aggregate
Amortization method					
Funding	Level % of pay over not more than 30 years	30-year, closed as of January 1, 2007	30-year, closed as of January 1, 2007	level %	n/a
Remaining amortization years (closed)	25	11	11	n/a	n/a
Asset valuation method	Expected value method with 5-year smoothing and 90-110% market value corridor	Fair market value	Fair market value	8-year graded smoothed fair value	8-year graded smoothed fair value
Actuarial assumptions					
Investment rate of return	7.5%	3.0%	3.0%	7.25%	7.00%
Projected salary increases[2]	2.5-10.0%	n/a	n/a	3.25%	3.25%
Economic inflation	2.50%	2.50%	2.50%	2.75%	2.75%
Cost of living adjustments	0.0%	Based on 3.5% increase assumption when appropriate, for FPF benefits. Based upon inflation assumption for some FPF benefits and all LEOFF benefits.	Based on 3.5% increase assumption when appropriate, for PPF benefits. Based upon inflation assumption for some PPF benefits and all LEOFF benefits.	CPI Increase	CPI Increase, maximum 3%
Mortality	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.	Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status as the base table, applying age offsets as appropriate and long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis.	Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status as the base table, applying age offsets as appropriate and long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis.

[2]Expected to grow by service-based salary increases for LEOFF 1 and 2

G. DISCOUNT RATE

Spokane Employees' Retirement System

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current 11.00% contribution rate and that city contributions will be made at the same rate. The contribution rate is now tied to the Actuarially Determined Contribution (ADC) rate as determined by the Plan's actuary in the annual valuation. These changes were sufficient to eliminate the projected depletion of assets and return the discount rate to the 7.50% assumed rate of return.

Firefighters' Pension System

The discount rate used to measure the total pension liability was 3.0%. This discount rate was used for calculations as the plan assets are not projected to be depleted prior to payment of the final benefits.

Police Relief and Pension System
The discount rate used to measure the total pension liability was 3.0%. This discount rate was used for calculations as the plan assets are not projected to be depleted prior to payment of the final benefits.

LEOFF 1 & 2
The discount rate used to measure the total pension liability was 7.0%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on the assumptions described in the Actuarial Certification Letter, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% on pension plan investments was applied to determine the total pension liability (asset).F

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following table represents the net pension liability calculated using the blended discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

Net Pension (Asset) Liability Sensitivity to the Discount Rate				
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**Current Discount Rate**
SERS[1]	309,057,924	244,781,814	190,044,224	7.50%
Firefighters'	3,686,722	2,882,797	2,185,735	3.00%
Police	3,273,519	3,020,137	2,792,955	3.00%
LEOFF 1	(25,372,467)	(28,357,542)	(30,960,678)	7.00%
LEOFF 2	28,279,142	(37,600,850)	(91,488,712)	7.00%

[1]SERS data includes amount related to the Spokane Regional Emergency Communications (SREC). $2,036,054 of the current discount is SREC.

H. PENSION EXPENSE

For the year ended December 31, 2025, the City recognized pension expense as follows:

Description	SERS	Firefighters'	Police
Service Cost	15,132,382	-	-
Interest Cost	42,788,075	296,461	109,157
Benefit Changes	1,471,682	934,500	-
Experience loss (gain)	324,227	(1,436,566)	387,502
Change in Assumptions	-	-	-
Contributions-Employer	-	-	-
Contributions-Employee	(15,870,598)	-	-
Net Investment Income:		-	-
Expected Return on Investments	(25,391,678)	(221,531)	(27,091)
Investment (gain) loss expensed	(1,441,118)	4,246	4,464
Investment (gain) loss deferred	-	-	-
Benefits paid, including refunds of employee contributions	-	-	-
Administrative Expense	485,504	42,519	40,168
Amortization	12,032,784	360,874	(50,090)
Other Changes	-	1,862,314	-
Total Pension Expense	29,531,260	1,842,817	464,110
LESS (SREC)	(245,636)	-	-
Total Pension Expense	**29,285,624**	**1,842,817**	**464,110**

For the year ended December 31, 2025 the City recognized pension expense for the following state plans:

Pension Expense	
LEOFF 1	(2,940,226)
LEOFF 2	(523,994)
TOTAL	(3,464,221)

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. City contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

Deferred inflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual

experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

At December 31, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources.

	SERS		**Firefighters'**		**Police**	
	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	31,138,806	-	1,292,781	-	50,968
Change of Assumptions	(21,564,277)	5,880,169	-	-	-	-
Differences Between Expected and Actual Experience	(225,223)	11,958,803	(326,357)	-	-	-
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	181,241	(407,390)	-	-	-	-
City Contributions Subsequent to the Measurement Date	-	-	-	-	-	-
Total	**(21,608,259)**	**48,570,388**	**(326,357)**	**1,292,781**	**-**	**50,968**

	LEOFF 1		**LEOFF 2**	
	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	(540,257)	-	(5,354,349)	-
Change of Assumptions	-	-	(2,286,174)	13,328,720
Differences Between Expected and Actual Experience	-	-	(170,209)	32,732,756
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	-	(6,375,231)	12,480,951
Contributions subsequent to the measurement date	-	-	-	2,810,726
Total	**(540,257)**	**-**	**(14,185,963)**	**61,353,153**

Deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SERS		Firefighters'		Police	
Recognition Period (Years)	4.0	5.0	3.00	4.0	0.00	4.0
Year	**(Inflow)**	**Outflows**	**(Inflows)**	**Outflows**	**(Inflows)**	**Outflows**
2026	(9,660,106)	21,525,482	(108,786)	740,579	-	22,527
2027	(5,364,505)	20,607,385	(108,786)	543,711	-	14,744
2028	(5,249,026)	5,037,982	(108,785)	4,246	-	9,234
2029	(1,368,286)	1,068,157	-	4,245	-	4,463
2030	33,666	331,382	-	-	-	-
Thereafter	-	-	-	-	-	-
Total Deferred (Inflows)/Outflows	**(21,608,259)**	**48,570,388**	**(326,357)**	**1,292,781**	**-**	**50,968**

	LEOFF 1		LEOFF 2	
Recognition Period (Years)	4.0	0.0	10.0	10.0
Year	**(Inflows)**	**Outflows**	**(Inflows)**	**Outflows**
2026	539,070	-	558,763	8,377,546
2027	(379,368)	-	(4,885,018)	8,373,368
2028	(401,018)	-	(4,543,666)	8,297,362
2029	(298,942)	-	(3,474,057)	8,103,469
2030	-	-	(1,247,101)	7,703,569
Thereafter	-	-	(594,882)	17,687,114
Total Deferred (Inflows)/Outflows	**(540,257)**	**-**	**(14,185,963)**	**58,542,427**

J. FUNDING POLICIES

The tables at the end of this section provide the actual contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of December 31, 2025.

Spokane Employees' Retirement System
Member and employer contribution rates are established by SMC Chapter 4.14. The funding of SERS is currently based on the entry age normal method. SERS funding objective is to achieve and maintain an actuarial liability funded status between 90% and 110%. Member contributions are 11.00% of eligible compensation and are deducted from the member's salary and paid into the retirement fund; the City contributes 11.00% of eligible compensation for a combined total of 22.00%. It is contemplated that the contribution by the City will, when added to the member's contribution, plus other revenues, be enough to properly fund the retirement benefits set forth. Combined contributions from employees and the employer were $32.3 million in 2025 and $31.7 million in 2024.

There are no long-term contracts for contributions outstanding and no legally required reserves.

Firefighters' Pension System
The City of Spokane is obligated by ordinance and RCW to make all required contributions to the plans. The major sources of funding for the Firefighters' Pension fund are property taxes, investment earnings, and the State

fire insurance premium tax. Currently, there are no required employee contributions made to these pension plans.

The plan is partially funded with $33.7 million in total net assets, including those available for other post-employment benefits (see Note 6).

Police Relief and Pension System
The City of Spokane is obligated by ordinance and RCW to make all required contributions to the plans. The major sources of funding for the Police Pension fund is local retail sales and use tax. Currently, there are no required employee contributions made to these pension plans.

Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plans 1 and 2
LEOFF 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2025.

The City's actual contributions to LEOFF 2 were $5.45 million for the year ended December 31, 2025.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' fiscal year ending June 30, 2025, the state contributed $106.6 million to LEOFF Plan 2. The amount recognized by the City for its proportionate share of this amount is $3.4 million.

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2025. Employers paid only the administrative expense of 0.18% of covered payroll.

The required contribution rates expressed as a percentage of current-year covered payroll as of December 31, 2025 are as follows:

Actual Contribution Rates	Employer	Employee
Employees' Retirement System	11.00%	11.00%
Firefighters' Pension System	0.16%	0.00%
Police Pension System	0.16%	0.00%
LEOFF 1[1]	0.20%	0.00%
LEOFF 2[1]	5.32%	8.53%

[1]The employer rate includes the employer administrative expense fee currently set at 0.20%

K. EMPLOYER CONTRIBUTIONS PAID

The following table presents the City's contributions to cost-sharing plans in accordance with the funding policy. There are no long-term contracts for contributions for any of the retirement plans administered by the City.

Actual Contributions	2025	2024
Employees' Retirement System	16,102,443	15,870,598
Firefighters' Pension System	7,203	1,750,231
Police Pension System	663,307	451,405
LEOFF 1	-	-
LEOFF 2	5,445,595	5,239,864

L. PENSION RECONCILIATION

	Increase (Decrease)					
	(a)	(b)	(a)-(b)			
Employees' Retirement System	**Total Pension Liability**	**Plan Net Position**	**Net Pension Liability (NPL)**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Pension Expense**
Balance, Beginning of Year (Dec 31, 2023)	589,529,250	342,231,974	247,297,276	69,661,609	26,297,208	-
Changes for the year:						
Service Cost	15,132,382	-	15,132,382	-	-	15,132,382
Interest Cost	42,788,075	-	42,788,075	-	-	42,788,075
Benefit Changes	1,471,682	-	1,471,682	-	-	1,471,682
Experience loss (gain)	1,945,360	-	1,945,360	1,621,133	-	324,227
Change in Assumptions	-	-	-	-	-	-
Contributions-Employer	-	15,870,598	(15,870,598)	-	-	-
Contributions-Employee	-	15,870,598	(15,870,598)	-	-	(15,870,598)
Net Investment Income		32,597,269	(32,597,269)	-	-	-
Expected Return on Investments	-	-	-	-	-	(25,391,678)
Investment (gain) loss expensed	-	-	-	-	-	(1,441,118)
Investment (gain) loss deferred	-	-	-	-	5,764,473	-
Benefits paid, including refunds of employee contributions	(38,743,592)	(38,743,592)	-	-	-	-
Administrative Expense	-	(485,504)	485,504	-	-	485,504
Other Changes	-	-	-	-	-	-
Amortization	-	-	-	(22,304,965)	(10,272,181)	12,032,784
Net Changes	22,593,907	25,109,369	(2,515,462)	(20,683,832)	(4,507,708)	
Balance, End of Year (Dec 31, 2024)	**612,123,157**	**367,341,343**	**244,781,814**	**48,977,777**	**21,789,500**	**29,531,260**
LESS (SREC)			(2,036,054)	(407,389)	(181,241)	(245,636)
Balance, End of Year (Dec 31, 2024) Net of SREC			**242,745,760**	**48,570,388**	**21,608,259**	**29,285,624**

	Increase (Decrease)					
	(a)	(b)	(a)-(b)			
Firefighters' Pension System	**Total Pension Liability**	**Plan Net Position**	**Net Pension Liability (NPL)/(Asset)**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Pension Expense**
Balance, Beginning of Year (Dec 31, 2023)	10,169,178	6,604,530	3,564,648	2,012,133	701,817	-
Changes for the year:						
Service Cost	-	-	-	-	-	-
Interest Cost	296,461	-	296,461	-	-	296,461
Benefit Changes	934,500	-	934,500	-	-	934,500
Experience loss (gain)	(1,436,566)	-	(1,436,566)	-	-	(1,436,566)
Change in Assumptions	-	-	-	-	-	-
Contributions-Employer	-	1,750,231	(1,750,231)	-	-	-
Contributions-Employee	-	430,545	(430,545)	-	-	-
Net Investment Income	-	200,303	(200,303)	-	-	-
Expected Return on Investments	-	-	-	-	-	(221,531)
Investment (gain) loss expensed	-	-	-	-	-	4,246
Investment (gain) loss deferred	-	-	-	16,982	-	-
Benefits paid, including refunds of employee contributions	(578,598)	(578,598)	-	-	-	-
Administrative Expense	-	(42,519)	42,519	-	-	42,519
Other Changes	-	(1,862,314)	1,862,314	-	-	1,862,314
Amortization	-	-	-	(736,334)	(375,460)	360,874
Net Changes	(784,203)	(102,352)	(681,851)	(719,352)	(375,460)	
Balance, End of Year (Dec 31, 2024)	**9,384,975**	**6,502,178**	**2,882,797**	**1,292,781**	**326,357**	**1,842,817**

	Increase (Decrease)					
	(a)	(b)	(a)-(b)			
Police Pension System	**Total Pension Liability**	**Plan Net Position**	**Net Pension Liability (NPL)**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Pension Expense**
Balance, Beginning of Year (Dec 31, 2023)	3,864,071	924,584	2,939,487	60,480	77,457	-
Changes for the year:						
Service Cost	-	-	-	-	-	-
Interest Cost	109,157	-	109,157	-	-	109,157
Benefit Changes	-	-	-	-	-	-
Experience loss (gain)	387,502	-	387,502	-	-	387,502
Change in Assumptions	-	-	-	-	-	-
Contributions-Employer	-	451,405	(451,405)	-	-	-
Contributions-Employee	-	-	-	-	-	-
Net Investment Income	-	4,772	(4,772)	-	-	-
Expected Return on Investments	-	-	-	-	-	(27,091)
Investment (gain) loss expensed	-	-	-	-	-	4,464
Investment (gain) loss deferred	-	-	-	17,855	-	-
Benefits paid, including refunds of employee contributions	(454,345)	(454,345)	-	-	-	-
Administrative Expense	-	(40,168)	40,168	-	-	40,168
Other Changes	-	-	-	-	-	-
Amortization	-	-	-	(27,367)	(77,457)	(50,090)
Net Changes	42,314	(38,336)	80,650	(9,512)	(77,457)	
Balance, End of Year (Dec 31, 2024)	**3,906,385**	**886,248**	**3,020,137**	**50,968**	**-**	**464,110**

Note 6

Defined Benefit Other Post-Employment Benefit (OPEB) Plans

Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB). For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position for the City of Spokane's Firefighter's and Police Retiree Benefits Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following table represents the aggregate OPEB amounts for all plans for the year 2025:

Aggregate OPEB Amounts – All Plans		
OPEB liabilities	$	(61,291,237)
OPEB assets		-
Deferred outflows of resources		2,567,371
Deferred inflows of resources		(3,002,075)
OPEB expense/expenditures		648,059

Plan Descriptions

The Firefighters', Police Pension Systems and Retiree Medical Plan 2 are single-employer defined benefit funds established and administered by the City in accordance with the requirements of the Revised Code of Washington. The Firefighters' and Police Pension System other post-employment benefit (OPEB) plans are accounted for in their respective pension funds.

The Police and Fire other post-employment benefit plans provide medical benefits to all firefighters and uniformed police who were hired prior to March 1, 1970. Police and firefighters hired on or after March 1, 1970, but before October 1, 1977, receive their pensions from the State of Washington and medical coverage from the City of Spokane. Police and firefighters hired after October 1, 1977, are not covered by these plans. These OPEB plans are closed to new entrants. Both plans provide death, disability and medical benefits.

The Retiree Medical Plan 2 is a single-employer defined benefit plan not administered by any trust and is an unfunded liability.

The Retiree Medical Plan 2 other post-employment benefit plan provides Pre-Medicare retirees the ability to choose between two plans, Premera (PPO) and Group Health (HMO). Coverage stops at Medicare eligibility. Retirees pay the full rate for these plans. Only certain employee groups are currently covered by the Retiree Medical Plan 2 based on the benefit being negotiated in the recent union contracts. The current covered employee groups and rates are as follows as of the beginning of the current plan year:

Current Covered Employee Groups		Rates for 2025		
Union 270 - Clerical				
Union 270 - Labor				Group
Union 270 - Library			Premera	Health
Exempt Confidential		Retiree	$ 748.53	$ 770.53
Library Managerial		Retiree and Spouse	$ 1,628.58	$ 1,676.99
Exempt A - SM&PA				
Managerial B - SM&PA				
Mayor, Council and Elected Officials				
Police Lieutenants and Captains				
Police Guild				
Prosecutor's Association - SCPA				

Eligibility for benefits in the Retiree Medical Plan 2 is based on the employee's date of hire and the union they are members of at the time of retirement. Different eligibility conditions for the different employee groups are:

Retiree Medical Plan 2 Eligibility requirements	
1. Non-LEOFF Employees	
a. Hired Prior to January 1, 2009	The attainment of age 50 and completion of 5 years of service
b. Hired between January 1, 2009 and January 1, 2015	The attainment of age 62 and the completions of 5 years of service, or age plus years of service equal or exceeds 75 points
c. Hired between January 1, 2015 and December 31, 2017	The attainment of age 65 and the completions of 7 years of service, or age plus years of service equal or exceeds 80 points
c. Hired on or after January 1, 2018	The attainment of age 65 and the completions of 7 years of service, or age plus years of service equal or exceeds 90 points
2. LEOFF Employees	The attainment of age 53 and the completion of 5 years of service, or the attainment of age 50 and completion of 20 years of service

At December 31, 2025, the following employees were covered by the benefit terms:

Plan	Inactive Members or Beneficiaries Receiving Benefits	Inactive Members Entitled To But Not Receiving Benefits	Active Plan Members	Total Members	Membership as of the latest actuarial valuation
Firefighters' Pension System	152	-	-	152	1/1/2025
Police Pension System	117	-	-	117	1/1/2025
Total	**269**	**-**	**-**	**269**	

Plan	Active	Retiree	Surviving Spouse	Total Members	Membership as of the latest actuarial valuation
Retiree Medical Plan 2	1,826	49	-	1,875	1/1/2025

Funding Policy
The City is obligated by ordinance and the Revised Code of Washington to make all required contributions to the Firefighters' and Police benefit plans. The major sources of funding for these plans are property taxes, investment earnings, the State fire insurance premium tax, and local retail sales and use taxes. There are no required employee contributions made to these plans.

The City is obligated to make all required contributions to the Retiree Medical Plan 2 benefit plans as per negotiated by each labor union and ratified by City Council.

The Actuarially determined contribution is based on the funding policy. Since the plans are not currently funded, the Actuarially Determined Contributions for the fiscal years ending December 31, 2025 and December 31, 2024 for the plans are shown in the following tables.

2025 Funded Status (in thousands)	**Firefighters' OPEB**	**Police OPEB**	**Retiree Medical Plan 2**
Actuarial valuation date	1/1/2025	1/1/2025	1/1/2025
Actuarial value of plan assets	$ 26,561	$ -	$ -
Actuarial accrued liability (AAL)	38,337	38,662	10,854
Unfunded actuarial accrued liability (UAAL)	11,776	38,662	10,854
Funded ratio	69.28%	0.00%	0.00%
Actual contributions	1,658	2,394	366
Covered payroll	N/A	N/A	145,818
UAAL as a percentage of covered payroll	N/A	N/A	7.44%

2024 Funded Status (in thousands)	**Firefighters' OPEB**	**Police OPEB**	**Retiree Medical Plan 2**
Actuarial valuation date	1/1/2024	1/1/2024	1/1/2024
Actuarial value of plan assets	$ 25,548	$ -	$ -
Actuarial accrued liability (AAL)	39,337	40,672	10,004
Unfunded actuarial accrued liability (UAAL)	13,789	40,672	10,004
Funded ratio	64.95%	0.00%	0.00%
Actual contributions	1,857	2,359	342
Covered payroll	N/A	N/A	132,731
UAAL as a percentage of covered payroll	N/A	N/A	7.54%

Actuarial Determined Contribution

	Firefighters' Pension System	2025	2024
A.	**Normal Cost**		
	1. Normal cost without expense load	$ -	$ -
	2. Expense load, if any	44,987	53,009
	3. Total normal cost: (1) = (2)	44,987	53,009
B.	Amortization Amount		
	1. Unfunded Liability		
	a. Actuarial liability for recommended contribution	$ 38,336,522	$ 39,337,010
	b. Value of plan assets for recommended contribution	26,560,635	25,548,030
	c. Unfunded/(surplus) liability: (a)-(b)	11,775,887	13,788,980
	2. Amortization period in years	12	13
	3. Discount rate	3.00%	3.00%
	4. Amortization amount	1,148,573	1,258,807
C.	Recommended Contribution at Beginning of Plan Year: A(3) + B(4)	$ 1,193,560	$ 1,311,816
D.	Interest Adjustment for Timing of Contribution		
	1. Estimated contribution dated	12/31/2025	12/31/2024
	2. Fractional year from beginning of plan year	1.00	1.00
	3. Interest on contribution to end of the fiscal year	35,807	39,354
E.	Recommended contribution at the end of the fiscal year: C + D(3)	1,229,367	1,351,170
F.	Actuarial Funding Method	Entry Age Normal	Entry Age Normal

	Police Pension System	2025	2024
A.	**Normal Cost**		
	1. Normal cost without expense load	$ -	$ -
	2. Expense load, if any	-	-
	3. Total normal cost: (1) = (2)	-	-
B.	Amortization Amount		
	1. Unfunded Liability		
	a. Actuarial liability for recommended contribution	$ 42,313,675	$ 43,307,432
	b. Value of plan assets for recommended contribution	-	-
	c. Unfunded/(surplus) liability: (a)-(b)	42,313,675	43,307,432
	2. Amortization period in years	12	13
	3. Discount rate	3.00%	3.00%
	4. Amortization amount	4,127,107	3,953,571
C.	Recommended Contribution at Beginning of Plan Year: A(3) + B(4)	$ 4,127,107	$ 3,953,571
D.	Interest Adjustment for Timing of Contribution		
	1. Estimated contribution dated	12/31/2025	12/31/2024
	2. Fractional year from beginning of plan year	1.00	1.00
	3. Interest on contribution to end of the fiscal year	123,813	118,607
E.	Recommended contribution at the end of the fiscal year: C + D(3)	4,250,920	4,072,178
F.	Actuarial Funding Method	Entry Age Normal	Entry Age Normal

	Retiree Medical Plan 2	2025	2024
A.	**Normal Cost**		
	1. Normal cost without expense load	$ 541,813	$ 536,966
	2. Expense load, if any	-	-
	3. Total normal cost: (1) = (2)	541,813	536,966
B.	Amortization Amount		
	1. Unfunded Liability		
	a. Actuarial liability for recommended contribution	$ 10,853,685	$ 10,003,668
	b. Value of plan assets for recommended contribution	-	-
	c. Unfunded/(surplus) liability: (a)-(b)	10,853,685	10,003,668
	2. Amortization period in years	30	30
	3. Discount rate	4.25%	3.75%
	4. Amortization amount	620,490	540,802
C.	Recommended Contribution at Beginning of Plan Year: A(3) + B(4)	$ 1,162,303	$ 1,077,768
D.	Interest Adjustment for Timing of Contribution		
	1. Estimated contribution dated	12/31/2025	12/31/2024
	2. Fractional year from beginning of plan year	1.00	1.00
	3. Interest on contribution to end of the fiscal year	49,398	40,416
E.	Recommended contribution at the end of the fiscal year: C + D(3)	1,211,701	1,118,184
F.	Actuarial Funding Method	Entry Age Normal	Entry Age Normal

Actuarial Information and Significant Actuarial Assumptions

The City's net OPEB liability was measured as of December 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Firefighters' OPEB	Police OPEB	Retiree Medial Plan 2
Inflation	2.50% per year	2.50% per year	2.00% per year
Salary increases	N/A	N/A	N/A
Investment rate of return	3.00% per year	N/A	N/A
Discount Rate	3.00% per year	4.15% per year	4.25% per year
Healthcare cost trend rates	8.00% for 2025, decreasing each year to an ultimate rate of 5.00% for 2045 and later years.	8.00% for 2025, decreasing each year to an ultimate rate of 5.00% for 2045 and later years.	8.00% for 2025, decreasing each year to an ultimate rate of 5.00% for 2045 and later years.

Mortality	Mortality rates were based on the Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for femails using Projection Scale MP-2021.	Mortality rates were based on the Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for femails using Projection Scale MP-2021.	Mortality rates were based on the Pub-2010 Public Retirement Plans General mortality table projected generationally with 2024 Adjusted Scale MP-2021 for Non-LEOFF members and the Pub-2010 Public Retirement Plans Safety mortality table projected generationally with 2024 Adjusted Scale MP-2021 for LEOFF members.
Actuarial Experience	The actuarial demographic assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period that ended December 31,2021.	The actuarial demographic assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the period that ended December 31,2021.	Since this is a relatively new plan, we have used the pension assumptions for this valuation. Once the plan has enough years of experience on its own, an experience study will be completed.
Expected Rate of Return	The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation.	Since the plan is not currently funded, there is no long-term expected rate of return on plan investments for this valuation.	Since the plan is not currently funded, the long-term expected rate of return on plan investments is 0.0% for this valuation.
Discount Rate	The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows used to determine the discount rate assumed the City future contributions will be made at rates equal to 70% of the annual benefit payments expected to be paid from the trust. Based on these assumptions, the OPEB plan's fiduciary net position was projected to never be depleted for current members. Therefore, the single effective discount rate used for the accounting valuation was 3.00%.	Since the plan is not currently funded, the discount rate is equal to the 20-year municipal bond rate in effect for the beginning of the plan year. Rates were taken from the Fidelity GO AA 20 Years index.	Since the plan is not currently funded, the discount rate is equal to the Fidelity GO AA 20-year municipal bond rate in effect for the beginning of the plan year, rounded to the nearest 0.25%.

The long-term expected rate of return on OPEB plan investments for the Firefighter's other post-employment benefits plan was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Firefighters' OPEB		
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash and short-term investments	4.67%	3.51%
Domestic Equities	0.00%	6.87%
U.S. Aggregate Bond	95.28%	4.83%
High Yield debt	0.00%	5.62%
Other investments	0.05%	4.22%
Total	100.00%	

Since the Police and Retiree Medical Plan 2 other post-employment benefit plans are not currently funded, there are no long-term expected rate of return on plan investments for this valuation.

The discount rate used to measure the net OPEB liability for the Firefighter's post-employment benefits plan was 3.00%. The projection of cash flows used to determine the discount rate assumed that City future contributions will be made at rates equal to 70% of the annual benefit payments expected to be paid from the trust. Based on these assumptions, the OPEB plan's fiduciary net position was projected to never be depleted for current members. Therefore, the single effective discount rate used for the accounting valuation was 3.0%.

Since the Police and Retiree Medical Plan 2 other post-employment benefit plans are not currently funded, the discount rate is equal to the 20-year municipal bond rate in effect for the beginning of the plan year.

Changes in the Net OPEB Liability

Changes in the City's Firefighter and Police Net OPEB Liability as of December 31, 2025 are shown in the following tables:

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
Firefighters' Other Post Employment Benefit Plan	**Total OPEB Liability**	**Plan Fiduciary Net Position**	**Net OPEB Liability (NOL)**
Balance, Beginning of Year (Dec 31, 2024)	39,337,010	25,548,030	13,788,980
Changes for the year:			
Service Cost	-	-	-
Interest on the total OPEB liability	1,131,095	-	1,131,095
Difference between expected and actual experience	97,222	-	97,222
Changes in plan provisions	-	-	-
Employer contributions	-	1,351,170	(1,351,170)
Changes in assumptions	1,038,881	-	1,038,881
Other contributions	-	506,313	(506,313)
Net Investment Income:	-	772,289	(772,289)
Benefits paid, including refunds of employee contributions	(3,267,686)	(3,267,686)	-
Administrative Expense	-	(211,795)	211,795
Other Changes	-	1,862,314	(1,862,314)
Net Changes	(1,000,488)	1,012,605	(2,013,093)
Balance, End of Year (Dec 31, 2025)	**38,336,522**	**26,560,635**	**11,775,887**

	Increase (Decrease)		
	(a)	(b)	(a)-(b)
Police Other Post Employment Benefit Plan	**Total OPEB Liability**	**Plan Fiduciary Net Position**	**Net OPEB Liability (NOL)**
Balance, Beginning of Year (Dec 31, 2024)	40,672,265	-	40,672,265
Changes for the year:			
Service Cost	-	-	-
Interest on the total OPEB liability	1,492,122	-	1,492,122
Difference between expected and actual experience	(1,424,025)	-	(1,424,025)
Changes in plan provisions	-	-	-
Employer contributions	-	2,098,595	(2,098,595)
Other contributions	-	260,446	(260,446)
Changes in assumptions	108,167	-	108,167
Net Investment Income:	-	-	-
Benefits paid, including refunds of employee contributions	(2,186,864)	(2,186,864)	-
Administrative Expense	-	(172,177)	172,177
Other Changes	-	-	-
Net Changes	(2,010,600)	-	(2,010,600)
Balance, End of Year (Dec 31, 2025)	**38,661,665**	**-**	**38,661,665**

Changes in the Total OPEB Liability

Changes in the City's Retiree Medical Plan 2 Total OPEB Liability as of December 31, 2025 are shown in the following table:

	Increase (Decrease) (a)
Retiree Medical Plan 2 Other Post Employment Benefit Plan	**Total OPEB Liability**
Balance, Beginning of Year (Dec 31, 2024)	10,003,668
Changes for the year:	
Service Cost	536,966
Interest on the total OPEB liability	387,915
Difference between expected and actual experience	281,201
Changes in benefit terms	-
Change in plan provisions	-
Employer contributions	-
Changes in assumptions	36,391
Net Investment Income:	-
Benefits paid, including refunds of employee contributions	(392,456)
Administrative Expense	-
Other Changes	-
Net Changes	850,017
Balance, End of Year (Dec 31, 2025)	**10,853,685**

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare costs trend rates. The following presents the net OPEB liability of the City for the Firefighters' and Police plans, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability Sensitivity to the Discount Rate				
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**Current Discount Rate**
Firefighters'	14,855,628	11,775,887	9,025,512	3.00%
Police	41,807,914	38,661,665	35,872,546	4.15%

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare costs trend rates. The following presents the Total OPEB liability of the City for the Retiree Medical Plan 2, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability Sensitivity to the Discount Rate				
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**Current Discount Rate**
Retiree Medical Plan 2	12,036,628	10,853,685	9,812,500	4.25%

Sensitivity of the net OPEB liability to changes in healthcare costs trend rates. The following presents the net OPEB liability of the City's Firefighters' and Police, as well as what the City's net OPEB liability would be if it were calculated 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

Net OPEB Liability Sensitivity to the Healthcare Cost Trend Rate				
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**Current Discount Rate**
Firefighters'	9,114,008	11,775,887	14,736,274	8.0% Decreasing to 5.0%
Police	36,004,827	38,661,665	41,618,680	8.0% Decreasing to 5.0%

Sensitivity of the Total OPEB liability to changes in healthcare costs trend rates. The following presents the Total OPEB liability of the City's Retiree Medical Plan 2, as well as what the City's net OPEB liability would be if it were calculated 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

Total OPEB Liability Sensitivity to the Healthcare Cost Trend Rate				
Plan	**1% Decrease**	**Current Discount Rate**	**1% Increase**	**Current Discount Rate**
Retiree Medical Plan 2	9,640,123	10,853,685	12,288,803	8.0% Decreasing to 5.0%

OPEB plan fiduciary net position, and Total OPEB Liability detailed information is available in the separately issued actuarial reports. For further information please contact the Spokane Retirement Department at 509-625-6330.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense decrease of $1,842,433 for Firefighters' and $2,010,600 for Police and an increase of $231,097 for the Retiree Medical 2 Plan and a total OPEB expense decrease of $3,621,936. At December 31, 2025, the City Reported Deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Firefighter's OPEB		**Police OPEB**	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences Between Expected and Actual Experience	-	-	-	-
Change of Assumptions	-	-		
Net difference between projected and actual earnings on pension plan investments	541,187	(144,894)	-	-
Total	**541,187**	**(144,894)**	**-**	**-**

	Retiree Medical Plan 2	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences Between Expected and Actual Experience	360,608	(1,170,039)
Change of Assumptions	1,665,576	(1,687,142)
Net difference between projected and actual earnings on pension plan investments	-	-
Total	**2,026,184**	**(2,857,181)**

Amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Firefighter's OPEB		Police OPEB	
Recognition Period (Years)	2.0	5.0		
Year	**Outflows**	**(Inflows)**	**Outflows**	**(Inflows)**
2026	318,072	(43,999)	-	-
2027	223,115	(43,999)	-	-
2028	-	(43,997)	-	-
2029	-	(6,450)	-	-
2030	-	(6,449)	-	-
Thereafter	-	-	-	-
Total Deferred (Inflows)/Outflows	**541,187**	**(144,894)**	**-**	**-**

	Retiree Medical Plan 2	
Recognition Period (Years)	6.0	6.0
Year	**Outflows**	**(Inflows)**
2026	472,427	(738,751)
2027	428,849	(717,052)
2028	423,462	(539,483)
2029	328,037	(305,526)
2030	328,038	(305,525)
Thereafter	45,371	(250,844)
Total Deferred (Inflows)/Outflows	**2,026,184**	**(2,857,181)**

Note 7
Risk Management

The City is self-insured for Unemployment Insurance, Workers' Compensation, General Liability, and Medical/Dental benefits. Unrestricted net position (assets and deferred outflows less liabilities and deferred inflows) in the self-insurance funds as of December 31, 2025, and 2024 are as follows:

Fund		2025		2024
Risk Management	$	3,703,608	$	4,664,654
Workers' Compensation		1,176,661		3,283,940
Unemployment Insurance		500,758		559,439
Employee Benefits		3,018,893		13,604,269
	$	**8,399,920**	**$**	**22,112,302**

Under the City's self-insurance program, the following commercial insurance policies are purchased to protect the City from claims which exceed anticipated funding levels. In 2017, one general liability claim exceeded the SIR, and in 2018 one incident involving two workers' compensation claims exceeded the SIR.

Policy Type	Deductible	Coverage Limits	Description
Excess Workers' Compensation & Employer's Liability - All Employees	$ 1,500,000	Statutory Limit	Protects the city from unanticipated levels of workers' compensation
Boiler & Machinery	25,000	200,000,000	Protects the city from loss due to damage to buildings and contents from boilers and machinery
Property (Wastewater Treatment Facility)	1,000,000	500,000,000	Protects the city from loss by fire and other extended coverages
Property (Upriver Dam)	1,000,000	141,473,918	Protects the city from loss by fire and other extended coverages
Property (Waste to Energy)	250,000	313,331,816	Protects the city from loss by fire and other extended coverages
Property (Other than WWTP, Dam& WTE)	1,000,000	250,000,000	Protects the city from loss by fire and other extended coverages
Medical Stop Loss	600,000	Unlimited	Stop-loss coverage protects the city from excessive individual claims
Excess Liability Coverage	1.25M to 1.5M	20,000,000	Protects the city from excessive individual losses
Inland Marine -Fire Truck Physical Damage	5% Value 10,000 min 100,000 max	48,700,000	Protects the City from loss due to damaged fire trucks
Crime & Fidelity, Employee Theft, Forgery or Alteration, Funds Transfer Fraud	50,000	5,000,000	Protect the city from loss due to employee dishonesty and other extended coverages
Aviation - Unmanned Aircraft Systems	NIL	5,000,000	Protect the city from loss due to drone accidents
Kidnap & Ransom	1,250,000	3,000,000	Protects the city from Kidnap & Ransom demands
Cyber Security Liability	150,000	5,000,000	Protect the city from loss due to cyber breach
Terrorism	25,000	100,000,000	Protects the city from acts of terrorism liability and malicious attacks

Claims Liability Valuation

In 2025, the City conducted an actuarial review to determine the estimated claims liability for the Risk Management and Workers' Compensation funds. The estimated loss reserves for the Risk Management fund totaled $9.5 million and the Workers' Compensation fund totaled $8.7 million. The Employee Benefits fund reported IBNR (incurred but not reported) claims of $2.9 million for 2025. Starting in 2014, the City became self-insured for all medical plans. Claims expenses are recognized in the Employee Benefits and the Unemployment Insurance funds for claims processed through the fiscal year end. No IBNR claims are reported in the Unemployment Insurance Fund. All self-insured funds are responsible for collecting interfund premiums and for paying claims settlements. Interfund premiums are assessed on the basis of exposure and claims experience and are reported as revenues and expenses.

Changes in the claims liability from fiscal year ended December 31, 2024, to December 31, 2025 are shown in the following table:

Claims Liability (in thousands)	General Liability	Workers' Compensation	Health Benefits
Unpaid claims, January 01, 2024	7,988	7,353	2,384
Incurred claims	2,262	2,688	34,787
Adjustments for prior claims	1,484	4,795	1,510
Claim payments	(2,946)	(6,579)	(36,277)
Unpaid claims, December 31, 2024	8,788	8,257	2,404

Claims Liability (in thousands)	General Liability	Workers' Compensation	Health Benefits
Unpaid claims, January 01, 2025	8,788	8,257	2,404
Incurred claims	2,977	4,013	39,247
Adjustments for prior claims	2,506	3,107	(1,254)
Claim payments	(4,768)	(6,656)	(37,537)
Unpaid claims, December 31, 2025	9,503	8,721	2,860

Note 8

Leases

A. Lease Receivables

Governmental Leases

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 1330 Grand Boulevard to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 2403 E 37th Avenue to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3103 W 21st Avenue to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3216 S Lamonte Street to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3726 Little Lane to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 4327 E 57th Street to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,469. As of December 31, 2025, the City's receivable for the lease was $542,673. The City recognized $46,405 in lease

revenue and $8,332 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,850. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 4546 W Strong Road to a third party. The lease is for 177 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.369%. An initial lease receivable was recorded in the amount of $684,514. As of December 31, 2025, the City's receivable for the lease was $542,709. The City recognized $46,408 in lease revenue and $8,333 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $498,883. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 7910 S Thomas Mallen Road to a third party. The lease is for 225 months and the City will receive monthly fixed payments of $3,456. The lease has an interest rate of 1.518%. An initial lease receivable was recorded in the amount of $871,536. As of December 31, 2025, the City's receivable for the lease was $744,895. The City recognized $46,482 in lease revenue and $12,533 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $685,608. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 9470 N Colton Street to a third party. The lease is for 225 months and the City will receive annual fixed payments of $18,281. The lease has an interest rate of 1.518%. An initial lease receivable was recorded in the amount of $375,499. As of December 31, 2025, the City's receivable for the lease was $319,214. The City recognized $20,027 in lease revenue and $6,683 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $295,392. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 1330 S Grand Boulevard to a third party. The lease is for 224 months and the City will receive monthly fixed payments of $2,897. The lease has an interest rate of 1.518%. An initial lease receivable was recorded in the amount of $776,575. As of December 31, 2025, the City's receivable for the lease was $671,493. The City recognized $41,602 in lease revenue and $11,280 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $610,166. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 2900 S Geiger Boulevard to a third party. The lease is for 200 months and the City will receive monthly fixed payments of $2,897. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $683,930. As of December 31, 2025, the City's receivable for the lease was $571,247. The City recognized $41,036 in lease revenue and $9,165 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $519,787. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3103 W 21st Avenue to a third party. The lease is for 200 months and the City will receive monthly fixed payments of $2,863. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $675,870. As of December 31, 2025, the City's receivable for the lease was $564,515. The City recognized $40,552 in lease revenue and $9,057 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As

of December 31, 2025, the balance of the deferred inflow of resources was $513,661. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3216 S Lamonte Street to a third party. The lease is for 198 months and the City will receive monthly fixed payments of $2,984. The lease has an interest rate of 1.408%. An initial lease receivable was recorded in the amount of $702,227. As of December 31, 2025, the City's receivable for the lease was $584,245. The City recognized $42,559 in lease revenue and $9,158 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $531,990. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3403 E 37th Avenue to a third party. The lease is for 200 months and the City will receive monthly fixed payments of $2,897. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $686,006. As of December 31, 2025, the City's receivable for the lease was $573,881. The City recognized $41,017 in lease revenue and $9,205 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $521,939. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 5603 S Savannah Lane to a third party. The lease is for 224 months and the City will receive monthly fixed payments of $2,897. The lease has an interest rate of 1.518%. An initial lease receivable was recorded in the amount of $776,575. As of December 31, 2025, the City's receivable for the lease was $671,493. The City recognized $41,602 in lease revenue and $11,280 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $610,166. The lessee has 3 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 9470 N Colton Street to a third party. The lease is for 199 months and the City will receive monthly fixed payments of $1,343. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $237,826. As of December 31, 2025, the City's receivable for the lease was $185,328. The City recognized $14,341 in lease revenue and $3,000 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $180,461. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower location located on the Playfair Racetrack property located at 300 N Altamont Street to a third party. The lease is for 199 months and the City will receive monthly variable principal and interest payments of $2,033 based on a CPI index with a minimum increase of 3.00%. The lease has an interest rate of 1.721%. An initial lease receivable was recorded in the amount of $370,894. The lease was renegotiated in 2025, adding $807,067 to the receivable and deferred inflows, and an additional 2 extension options of 60 months each. As of December 31, 2025, the City's receivable for the lease was $1,096,850. The City recognized $46,816 in lease revenue and $20,168 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $1,057,253. The lessee has 5 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 3216 S Lamonte Street to a third party. The lease is for 120 months and the City will receive monthly fixed payments of $2,799. The lease has an interest rate of 1.205%. An initial lease receivable was recorded in the amount of $370,066. As of December 31, 2025, the City's receivable for the lease was $243,142. The City recognized $37,007 in lease revenue and $3,340 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As

of December 31, 2025, the balance of the deferred inflow of resources was $222,040. The lessee has 2 extension options, each for 60 months.

On January 1, 2022, the City began leasing a cellular tower connection point on the structure located at 7910 S Thomas Mallen Road to a third party. The lease is for 120 months and the City will receive monthly fixed payments of $2,799. The lease has an interest rate of 1.205%. An initial lease receivable was recorded in the amount of $370,153. As of December 31, 2025, the City's receivable for the lease was $243,142. The City recognized $37,015 in lease revenue and $3,397 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $222,092. The lessee has 1 extension option for 60 months.

On January 1, 2022, the City began leasing a cellular phone tower location at Joe Albi Stadium to a third party. The lease is for 324 months and the City will receive monthly fixed payments of $2,079. The lease has an interest rate of 1.721%. An initial lease receivable was recorded in the amount of $788,516. As of December 31, 2025, the City's receivable for the lease was $735,550. The City recognized $29,204 in lease revenue and $13,849 in interest revenue during the current fiscal year. Additional variable revenues of $1,070 were received during the year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $671,699. The lessee has 5 extension options, each for 60 months.

On January 1, 2022, the City began leasing a portion of Cowley Park to a third party. The lease is for 205 months and the City will receive quarterly fixed payments of $3,939. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $237,725. As of December 31, 2025, the City's receivable for the lease was $186,458. The City recognized $13,916 in lease revenue and $3,254 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $182,062.

On January 1, 2022, the City began leasing space at 514 N Monroe Street for an advertising structure to a third party. The lease is for 60 months and the City will receive annual fixed payments of $1,800. The lease has an interest rate of 0.686%. An initial lease receivable was recorded in the amount of $8,878. As of December 31, 2025, the City's receivable for the lease was $1,788. The City recognized $1,776 in lease revenue and $37 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $1,776. The City had a termination period of 1 month as of lease commencement.

On January 1, 2022, the City began leasing space in the Intermodal Facility at 221 W 1st Avenue to a third party. The lease is for 100 months and the City will receive monthly variable payments of $3,263 based on CPI. The lease has an interest rate of 1.481%. An initial lease receivable was recorded in the amount of $312,158. The lease was renegotiated in 2025, adding $336,565 to the receivable and deferred inflows, and an additional 2 extension options of 60 months each. As of December 31, 2025, the City's receivable for the lease was $505,411. The City recognized $35,769 in lease revenue and $5,797 in interest revenue during the current fiscal year. Additional variable revenues of $10,624 were received during the year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $500,577. The lessee has 3 extension options for 60 months.

On January 1, 2022, the City began leasing space in the Intermodal Facility at 221 W 1st Avenue to a third party. The lease is for 36 months and the City will receive monthly fixed payments of $2,516. The lease has an interest rate of 0.426%. An initial lease receivable was recorded in the amount of $92,723. The lease was renegotiated in 2025, adding $39,087 to the receivable and deferred inflows, and an additional 2 extension options of 12 months each. As of December 31, 2025, the City's receivable for the lease was $39,087. The City recognized $44,613 in lease revenue and $95 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of

December 31, 2025, the balance of the deferred inflow of resources was $39,080. The lessee has 4 extension options, each for 12 months.

On January 1, 2022, the City began leasing space in the Intermodal Facility at 221 W 1st Avenue to a third party. The lease is for 97 months and the City will receive monthly variable principal and interest payments of $2,104 based on CPI. Lease payment adjustments will not be made more frequently than at 2 year intervals. The City must provide written notice of lease payment adjustments at least 210 days in advance. The lease has an interest rate of 1.084%. An initial lease receivable was recorded in the amount of $211,062. The lease payment was renegotiated in 2025, adding $50,787 to the receivable and deferred inflows. As of December 31, 2025, the City's receivable for the lease was $151,694. The City recognized $35,422 in lease revenue and $1,781 in interest revenue during the current fiscal year. Additional variable revenues of $247 were received during the year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $148,095. The lessee has 1 extension option for 60 months.

On January 1, 2022, the City entered into an easement lease for the northeast side of Sprague Way with a third party. The lease is for 199 months and the City will receive annual variable payments of $14,343 based on CPI. The lease has an interest rate of 1.442%. An initial lease receivable was recorded in the amount of $204,849. As of December 31, 2025, the City's receivable for the lease was $157,013. The City recognized $12,353 in lease revenue and $3,379 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $155,438. The lessee had a termination period of 6 months from lease commencement.

On November 1, 2022, the City began leasing a cellular tower connection point on the structure located at 2216 Strong Road to a third party. The lease is for 240 months and the City will receive monthly fixed payments of $3,200. The lease has an interest rate of 4.116%. An initial lease receivable was recorded in the amount of $683,693. As of December 31, 2025, the City's receivable for the lease was $640,918. The City recognized $34,185 in lease revenue and $28,913 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $575,442. The lessee has 5 extension options, each for 60 months.

On November 1, 2022, the City began leasing a cellular tower connection point on the structure located at 5717 S Parkridge Boulevard to a third party. The lease is for 240 months and the City will receive monthly fixed payments of $3,200. The lease has an interest rate of 4.116%. An initial lease receivable was recorded in the amount of $683,693. As of December 31, 2025, the City's receivable for the lease was $640,918. The City recognized $34,185 in lease revenue and $28,913 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $575,442. The lessee has 5 extension options, each for 60 months.

On October 1, 2023, the City began leasing a cellular tower connection point on the structure located at 3220 S Lamonte St to a third party. The lease is for 240 months and the City will receive monthly fixed payments of $3,200. The lease has an interest rate of 3.679%. An initial lease receivable was recorded in the amount of $706,062. As of December 31, 2025, the City's receivable for the lease was $672,852. The City recognized $35,303 in lease revenue and $27,118 in interest revenue during the current fiscal year. The City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the deferred inflow of resources was $626,630. The lessee has 3 extension options, each for 60 months.

On October 1, 2025, the City began leasing 8 server rack cabinets in the City Information Technology Data Center to a third party. The leases ar for 60 months and the City will receive monthly fixed payments of $2,200 per cabinet. The leases have an interest rate of 2.502%. An initial combined lease receivable was recorded in the amount of $1,053,596. As of December 31, 2025, the City's combined receivable for the lease was $1,005,084. The City recognized $52,680 in lease revenue and $6,384 in interest revenue during the current fiscal year. The

City also has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2025, the balance of the combined deferred inflow of resources was $1,000,916. The lessee has 1 extension option for 60 months.

As of December 31, 2025, future lease receivable principal and interest receipts are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	1,017,570	270,833	1,288,403
2027	1,029,613	253,227	1,282,840
2028	1,084,698	234,689	1,319,387
2029	1,142,032	215,061	1,357,093
2030	1,105,376	194,581	1,299,957
2031-2035	4,986,156	722,948	5,709,104
2036-2040	3,330,275	315,209	3,645,484
2041-2045	948,017	74,461	1,022,478
2046-2048	361,228	9,024	370,252
Total	$ 15,004,965	$ 2,290,033	$ 17,294,998

B. Lease Payables

Governmental Leases

On January 1, 2023, the City entered into a 48 month lease agreement as lessee for the use of approximately 44,170 square feet of land located at 1615 S Spotted Road upon which three buildings with driveway and landscaping will be built and be known as Fire Station # 6. An initial lease liability was recorded in the amount of $51,104. As of December 31, 2025, the value of the lease liability was $13,434. The City is required to make monthly principal and interest payments of $12,809. The lease has an interest rate of 2.676%. The leased land's estimated useful life is 48 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $51,104 with accumulated amortization of $38,328 is included with the right-to-use leased land in Note 4.

On January 1, 2022, the City entered into a 222 month lease agreement as lessee for the use of the premises at 111 N Wall Street for use as the downtown police precinct. An initial lease liability was recorded in the amount of $3,413,847. As of December 31, 2025, the value of the lease liability was $2,916,691. The City is required to make monthly principal and interest payments of $13,368. The lease has an interest rate of 1.481%. The leased space's estimated useful life is 222 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $3,413,847 with accumulated amortization of $738,129 is included with the right-to-use leased buildings in Note 4. The City has 2 extension options, each for 60 months.

On January 1, 2022, the City entered into a 156 month lease agreement as lessee for the use of exterior building space for two microwave dishes located at the Mt. Baldy radio communication site. An initial lease liability was recorded in the amount of $81,134. As of December 31, 2025, the value of the lease liability was $60,308. The City is required to make annual principal and interest payments of $5,639. The lease has an interest rate of 1.306%. The leased spaces estimated useful life is 156 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $81,134 with accumulated amortization of $24,964 is included with the right-to-use leased buildings in Note 4. The City has 2 extension options, each for 60 months.

On February 1, 2025, the City entered into a 60 month sublease agreement as lessee for the use of approximately 2,167 rentable square feet of the premises located at 930 N Monroe Street for use as office space for the Spokane Domestic Violence team. An initial lease liability was recorded in the amount of $63,680. As of December 31, 2025, the value of the lease liability was $52,756. The City is required to make monthly principal and interest

payments of $1,122. The lease has an interest rate of 2.925%. The leased space's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $63,680 with accumulated amortization of $11,668 is included with the right-to-use leased buildings in Note 4.

On October 15, 2025, the City entered into a 24 month lease agreement as lessee for the use of approximately 449 rentable square feet of premises located at 3801 E Farwell Road for use as space for public safety communications including 911 dispatch operations. An initial lease liability was recorded in the amount of $10,503. As of December 31, 2025, the value of the lease liability was $9,199. The City is required to make monthly principal and interest payments of $448. The lease has an interest rate of 2.485%. The leased space's estimated useful life is 24 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $10,503 with accumulated amortization of $1,109 is included with the right-to-use leased buildings in Note 4.

On July 1, 2022, the City entered into a 60 month lease agreement as lessee for the use of one Toro Pro Force Debris Blower, three Toro Groundsmaster 3300 mowers, one Toro Groundsmaster 3200 mower, and one Toro Grandstand mower by the Parks department. An initial lease liability was recorded in the amount of $230,732. As of December 31, 2025, the value of the lease liability was $75,590. The City is required to make monthly principal and interest payments of $4,082. The lease has an interest rate of 3.090%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $230,732 with accumulated amortization of $159,738 is included with the right-to-use leased machinery and equipment in Note 4. The City has the option to purchase the equipment for $1.

On October 1, 2022, the City entered into a 60 month lease agreement as lessee for the use of one Toro Groundsmaster 5900 mower with all attachments and accessories to the Parks department. An initial lease liability was recorded in the amount of $124,065. As of December 31, 2025, the value of the lease liability was $45,499. The City is required to make monthly principal and interest payments of $2,229. The lease has an interest rate of 3.090%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $124,065 with accumulated amortization of $80,642 is included with the right-to-use leased machinery and equipment in Note 4. The City has the option to purchase the equipment for $1.

On September 1, 2022, the City entered into a 48 month lease agreement as lessee for the use of a new TRANS6E Club Car golf cart at Riverfront Park. An initial lease liability was recorded in the amount of $16,384. As of December 31, 2025, the value of the lease liability was $2,830. The City is required to make monthly principal and interest payments of $357. The lease has an interest rate of 2.275%. The leased equipment's estimated useful life is 48 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $16,384 with accumulated amortization of $13,653 is included with the right-to-use leased machinery and equipment in Note 4.

On September 1, 2022, the City entered into a 48 month lease agreement as lessee for the use of a new TRANS6E Club Car golf cart at Riverfront Park. An initial lease liability was recorded in the amount of $15,862. As of December 31, 2025, the value of the lease liability was $2,740. The City is required to make monthly principal and interest payments of $345. The lease has an interest rate of 2.275%. The leased equipment's estimated useful life is 48 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $15,862 with accumulated amortization of $13,219 is included with the right-to-use leased machinery and equipment in Note 4.

On January 23,2023, the City entered into a 36 month lease agreement as lessee for the use of a 2022 Ford Ranger pickup truck in the Engineering department. An initial lease liability was recorded in the amount of $18,740. As of December 31, 2025, the value of the lease liability was $400. The City is required to make monthly principal and interest payments of $535. The lease has an interest rate of 3.238%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $18,740 with accumulated amortization of $18,359 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $14,818 and has a termination penalty of $400.

On February 27, 2023, the City entered into a 36 month lease agreement as lessee for the use of a 2023 Nissan Rogue all-wheel drive vehicle in the Code Enforcement department. An initial lease liability was recorded in the amount of $23,382. As of December 31, 2025, the value of the lease liability was $663. The City is required to make monthly principal and interest payments of $664. The lease has an interest rate of 2.656%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $23,382 with accumulated amortization of $22,170 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $17,061 and has a termination penalty of $400.

On August 7, 2023, the City entered into a 36 month lease agreement as lessee for the use of a 2023 Ford F250 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $31,837. As of December 31, 2025, the value of the lease liability was $6,316. The City is required to make monthly principal and interest payments of $911. The lease has an interest rate of 2.901%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $31,837 with accumulated amortization of $25,469 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $23,374 and has a termination penalty of $400.

On February 6, 2024, the City entered into a 60 month lease agreement as lessee for the use of a 2023 Ford F150 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $47,275. As of December 31, 2025, the value of the lease liability was $29,886. The City is required to make monthly principal and interest payments of $827. The lease has an interest rate of 2.312%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $47,275 with accumulated amortization of $17,991 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $8,569 and has a termination penalty of $400.

On February 12, 2024, the City entered into 3 separate 60 month lease agreements as lessee for the use of 3 2023 Ford F-150 pickup trucks in the Parks department. An initial lease liability was recorded for the combined leases in the amount of $142,607. As of December 31, 2025, the value of the combined lease liability was $90,148. The City is required to make monthly principal and interest payments of $832 for each lease. The leases have an interest rate of 2.312%. The leased equipment's estimated useful lives are 60 months each as of contract commencement. As of December 31, 2025, the combined value of the right-to-use assets of $142,607 with accumulated amortization of $53,795 is included with the right-to-use leased machinery and equipment in Note 4. Each of the leases have a guaranteed residual value payment of $8,569 and has a termination penalty of $400.

On February 12, 2024, the City entered into 2 separate 36 month lease agreements as lessee for the use of 2 2023 Ford F-150 pickup trucks in the Parks department. An initial lease liability was recorded for the combined leases in the amount of $61,847. As of December 31, 2025, the value of the combined lease liability was $23,311. The City is required to make monthly principal and interest payments of $879 for each lease. The leases have an interest rate of 2.426%. The leased equipment's estimated useful lives are 36 months each as of contract commencement. As of December 31, 2025, the combined value of the right-to-use assets of $61,847 with accumulated amortization of $38,883 is included with the right-to-use leased machinery and equipment in Note 4. Each of the leases have a guaranteed residual value payment of $23,181 and has a termination penalty of $400.

On April 29, 2024, the City entered into a 36 month lease agreement as lessee for the use of a 2024 Ford Escape all-wheel drive vehicle in the Parks department. An initial lease liability was recorded in the amount of $21,639. As of December 31, 2025, the value of the lease liability was $9,449. The City is required to make monthly principal and interest payments of $616. The lease has an interest rate of 2.865%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $21,639 with accumulated amortization of $12,062 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $15,922 and has a termination penalty of $400.

On May 24, 2024, the City entered into a 36 month lease agreement as lessee for the use of a 2024 Ford F-350 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $34,284. As of December 31, 2025, the value of the lease liability was $15,782. The City is required to make monthly principal and interest payments of $982. The lease has an interest rate of 2.865%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $34,284 with accumulated amortization of $18,317 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $25,567 and has a termination penalty of $400.

On May 24, 2024, the City entered into a 36 month lease agreement as lessee for the use of a 2024 Ford F-350 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $36,917. As of December 31, 2025, the value of the lease liability was $16,977. The City is required to make monthly principal and interest payments of $1,058. The lease has an interest rate of 2.865%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $36,917 with accumulated amortization of $19,723 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $27,557 and has a termination penalty of $400.

On July 15, 2024, the City entered into a 36 month lease agreement as lessee for the use of a 2024 Ford F-250 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $36,700. As of December 31, 2025, the value of the lease liability was $18,924. The City is required to make monthly principal and interest payments of $1,056. The lease has an interest rate of 3.110%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $36,700 with accumulated amortization of $17,874 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $27,718 and has a termination penalty of $400.

On September 24, 2024, the City entered into a 60 month lease agreement as lessee for the use of a RISO ComColor GL9730 printer by the Mail Center. An initial lease liability was recorded in the amount of $137,489. As of December 31, 2025, the value of the lease liability was $104,316. The City is required to make quarterly principal and interest payments of $7,386. The lease has an interest rate of 3.049%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $137,489 with accumulated amortization of $34,907 is included with the right-to-use leased machinery and equipment in Note 4.

On September 24, 2024, the City entered into a 60 month lease agreement as lessee for the use of Mail and Inserter machines with associated software by the Mail Center. An initial lease liability was recorded in the amount of $220,705. As of December 31, 2025, the value of the lease liability was $156,781. The City is required to make quarterly principal and interest payments of $11,849. The lease has an interest rate of 3.049%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $220,705 with accumulated amortization of $56,035 is included with the right-to-use leased machinery and equipment in Note 4.

On October 2, 2024, the City entered into a 36 month lease agreement as lessee for the use of a 2024 Ford Transit 350 van in the Parks department. An initial lease liability was recorded in the amount of 38,311. As of December 31, 2025, the value of the lease liability was $22,884. The City is required to make monthly principal and interest payments of $1,103. The lease has an interest rate of 3.110%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $38,311 with accumulated amortization of $15,928 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $29,752 and has a termination penalty of $400.

On October 4, 2024, the City entered into a 60 month lease agreement as lessee for the use of a 2024 Ford F-350 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $73,779. As of December 31, 2025, the value of the lease liability was $56,325. The City is required to make monthly principal and interest payments of $1,318. The lease has an interest rate of 3.049%. The leased equipment's estimated

useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $73,779 with accumulated amortization of $18,322 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $13,847 and has a termination penalty of $400.

On October 24, 2024, the City entered into a 60 month lease agreement as lessee for the use of a 2024 Ford F-350 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $73,780. As of December 31, 2025, the value of the lease liability was $56,325. The City is required to make monthly principal and interest payments of $1,318. The lease has an interest rate of 3.049%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $73,780 with accumulated amortization of $17,699 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $13,847 and has a termination penalty of $400.

On November 27, 2024, the City entered into a 60 month lease agreement as lessee for the use of a 2024 Ford F-350 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $98,830. As of December 31, 2025, the value of the lease liability was $76,989. The City is required to make monthly principal and interest payments of $1,767. The lease has an interest rate of 3.049%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $98,830 with accumulated amortization of $21,633 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $18,201 and has a termination penalty of $400.

On February 19, 2025, the City entered into a 36 month lease agreement as lessee for the use of a 2025 Ford F-250 pickup truck in the Parks department. An initial lease liability was recorded in the amount of $22,768. As of December 31, 2025, the value of the lease liability was $16,579. The City is required to make monthly principal and interest payments of $644. The lease has an interest rate of 2.872%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $16,579 with accumulated amortization of $6,505 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $16,519 and has a termination penalty of $400.

On February 19, 2025, the City entered into 7 separate 36 month lease agreements as lessee for the use of 7 2025 Ford F-250 pickup trucks in the Parks department. An initial lease liability was recorded for the combined leases in the amount of $231,293. As of December 31, 2025, the value of the combined lease liability was $168,067. The City is required to make monthly principal and interest payments of $939 for each lease. The leases have an interest rate of 2.872%. The leased equipment's estimated useful lives are 36 months each as of contract commencement. As of December 31, 2025, the combined value of the right-to-use assets of $231,293 with accumulated amortization of $66,084 is included with the right-to-use leased machinery and equipment in Note 4. Each of the leases have a guaranteed residual value payment of $24,743 and has a termination penalty of $400.

On April 8, 2025, the City entered into a 36 month lease agreement as lessee for the use of a 2025 Ford Maverick pickup truck in the Parks department. An initial lease liability was recorded in the amount of $20,392. As of December 31, 2025, the value of the lease liability was $15,749. The City is required to make monthly principal and interest payments of $568. The lease has an interest rate of 2.756%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $20,392 with accumulated amortization of $4,862 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $15,234 and has a termination penalty of $400.

On July 31, 2025, the City entered into a 48 month lease agreement as lessee for the use of a 2025 Nissan LEAF car in the Parks department. An initial lease liability was recorded in the amount of $20,900. As of December 31, 2025, the value of the lease liability was $18,852. The City is required to make monthly principal and interest payments of $451. The lease has an interest rate of 2.670%. The leased equipment's estimated useful life is 48 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $20,900

with accumulated amortization of $2,190 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $7,984 and has a termination penalty of $400.

The annual debt service requirements to maturity for outstanding leases are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	588,954	69,544	658,498
2027	505,491	55,191	560,682
2028	365,045	44,933	409,978
2029	280,042	37,539	317,581
2030	182,173	33,470	215,643
2031-2035	1,034,858	123,816	1,158,674
2036-2038	1,127,207	39,529	1,166,736
Total	$ 4,083,770	$ 404,022	$ 4,487,792

Business-type Leases

On January 1, 2022, the City entered into a 196 month lease agreement as lessee for the use of approximately 40 acres of land in the Spokane International Airport Business Park as a site for the Waste to Energy Plant operated by the Solid Waste Disposal department. An initial lease liability was recorded in the amount of $1,987,919. The lease was revised in November 2023, with an effective date of January 1, 2024, adding an additional $1,656,036 to the liability. As of December 31, 2025, the value of the lease liability was $2,972,427. The City is required to make quarterly principal and interest payments of $56,429. The lease has an interest rate of 1.408%. The leased spaces estimated useful life is 196 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $3,643,955 with accumulated amortization of $717,912 is included with the right-to-use leased land in Note 4. The City has 3 extension options, each for 60 months.

On January 1, 2022, the City entered into a 119 month lease agreement as lessee for the use of a solar waste receptacles by the Solid Waste Collections department. An initial lease liability was recorded in the amount of $222,828. As of December 31, 2025, the value of the lease liability was $126,833. The City is required to make annual principal and interest payments of $26,352. The lease has an interest rate of 1.284%. The leased equipment's estimated useful life is 119 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $222,828 with accumulated amortization of $89,755 is included with the right-to-use leased machinery and equipment in Note 4. The City has 1 extension option for 60 months.

On February 27, 2023, the City entered into a 36 month lease agreement as lessee for the use of a 2023 Nissan Rogue all-wheel drive vehicle by the Water department. An initial lease liability was recorded in the amount of $23,382. As of December 31, 2025, the value of the lease liability was $663. The City is required to make monthly principal and interest payments of $664. The lease has an interest rate of 2.656%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $23,382 with accumulated amortization of $22,170 is included with the right-to-use leased machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $17,061 and has a termination penalty of $400.

On February 28, 2023, the City entered into a 36 month lease agreement as lessee for the use of a 2022 Ford Escape all-wheel drive vehicle by the Water department. An initial lease liability was recorded in the amount of $19,063. As of December 31, 2025, the value of the lease liability was $538. The City is required to make monthly principal and interest payments of $539. The lease has an interest rate of 2.656%. The leased equipment's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $19,063 with accumulated amortization of $18,519 is included with the right-to-use leased

machinery and equipment in Note 4. The lease has a guaranteed residual value payment of $14,158 and has a termination penalty of $400.

On January 5, 2024, the City entered into a 60 month lease agreement as lessee for the use of three Toro Groundsmaster 4500 mowers and one Toro Reelmaster 5510-D for use at City owned golf courses. An initial lease liability was recorded in the amount of $368,927. As of December 31, 2025, the value of the lease liability was $234,426. The City is required to make monthly principal and interest payments of $7,195. The lease has an interest rate of 6.59%. The leased equipment's estimated useful life is 60 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $368,927 with accumulated amortization of $146,751 is included with the right-to-use leased machinery and equipment in Note 4.

The annual debt service requirements to maturity for outstanding leases are as follows:

Business-Type Activities			
Year	**Principal**	**Interest**	**Total**
2026	322,918	55,572	378,490
2027	330,167	47,119	377,286
2028	339,004	38,283	377,287
2029	259,259	31,693	290,952
2030	262,895	28,057	290,952
2031-2035	1,235,638	87,362	1,323,000
2036-2038	585,006	10,344	595,350
Total	$ 3,334,887	$ 298,430	$ 3,633,317

Note 9
Long-Term Liabilities

A. Long Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds).

General obligation bonds currently outstanding at December 31, 2025 are as follows:

Name of Issuance	Purpose	Interest Rate	Authorized Amount	Original Issue Amount	Debt Outstanding
UTGO 2015	Finance improvements to Riverfront Park and the Parks system	1.65% - 2.97%	64,300,000	60,070,000	56,500,000
LTGO 2015 Refunding	Refund UTGO 2004 and UTGO 2007 Refunding bonds	2.45%-3.20%	52,000,000	48,305,000	48,305,000
UTGO 2017 Refunding	Refund UTGO 2008 Parks/Auquatics	4.00%-5.00%	30,000,000	25,030,000	5,965,000
UTGO 2018	Finance improvements to and expansion of the Spokane Public Library facilities	3.125%-5.00%	77,000,000	73,605,000	67,510,000
Total general obligation bonds				$ 207,010,000	$ 178,280,000

At December 31, 2025, the City has $8.6 million available in debt service funds to service the general bonded debt. The annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	6,050,000	6,760,548	12,810,548
2027	10,800,000	6,474,198	17,274,198
2028	12,240,000	6,065,448	18,305,448
2029	13,540,000	5,579,098	19,119,098
2030	14,930,000	5,037,498	19,967,498
2031-2035	78,640,000	15,800,353	94,440,353
2036-2040	23,370,000	6,446,925	29,816,925
2041-2043	18,710,000	1,409,256	20,119,256
Total	$ 178,280,000	$ 53,573,324	$ 231,853,324

Debt Refundings/Direct Borrowing

When advantageous and permitted by statute and bond covenants, the City authorizes the refunding of outstanding bonds. When the City refunds outstanding bonds in advance of a call date, the net proceeds of each refunding issue are used to purchase U.S. government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds. As a result, the

refunded bonds are considered defeased and the liability is removed from the government-wide statement of net position.

On November 30, 2020 the City issued $21,601,900 in limited tax general obligation (UTGO) refunding bonds with an interest rate of 1.38 percent, and a True Interest Cost (TIC) of 1.38% to refund the callable portion of the City's outstanding 2010 B UTGO Bonds (Streets Bonds) totaling $21,454,000. There is a zero balance outstanding on 12/31/2020 for the 2010 B UTGO Bonds. As a result of the refinancing, the annual debt service was reduced by an average of approximately $476,000 annually until the final maturity in 2026. The total savings is $4,758,708, which has a present value of $3,586,629. The Bonds were structured to mature 4 years earlier than the 2010 B UTGO Bonds.

On August 1, 2022 the City entered into a financing arrangement for $1,194,789 with an interest rate of 4.78 percent to replace the synthetic fields at Dwight Merkel Field.

On May 20, 2024 the City used current investment pool resources to refund $5,791,018 of outstanding LTGO 2016 refunding bonds. $5,786,545 was deposited in an irrevocable trust with an escrow agent to redeem the 2016 refunding bonds, which were not callable. As a result, the 2016 refunding bonds were redeemed and the liability for those bonds has been removed from the city's financial statements for 2024. The city refunded the 2016 LTGO refunding bonds to reduce its total combined debt service payments over the next two years by $5,791,018 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $4,473.

The City's outstanding notes from direct borrowing related to governmental activities contain a provision that in the event of default of any payment the bond shall become due and payable.

Direct borrowings currently outstanding at December 31, 2025 are as follows:

Name of Issuance	Purpose	Interest Rate	Authorized Amount	Original Issue Amount	Debt Outstanding
LTGO 2020[1]	Refund UTGO 2010B related to Streets	1.38%	22,000,000	21,601,900	3,725,000
Dwight Merkel Replacement Financing	Finance replacement of artificial turf at Dwight Merkel Field	4.8%	1,194,789	1,194,789	522,212
Total Direct Borrowings				$ 22,796,689	$ 4,247,212

[1]On December 1,2020 the City refunded bonds through a direct borrowing from JP Morgan Chase which matures December 1,2026

The annual debt service requirements to maturity for direct borrowings outstanding are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	3,890,836	76,921	3,967,757
2027	173,939	17,413	191,352
2028	182,438	8,914	191,352
Total	$ 4,247,212	$ 103,248	$ 4,350,460

Government Loans

The City of Spokane has also received government and other loans to provide for the acquisition and construction of capital projects and other purposes. Government and other loans outstanding at year-end are as follows:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
State Community Development Loans	Various community development projects	0.00%	200,000
Public Works Trust Fund Loans	Various Water/Wastewater System improvements	.50% - 3.00%	10,675,287
State Revolving Loans	Various Water/Wastewater System improvements	1.50% - 2.90%	103,030,710
Total government and other loans			$ 113,905,997

The annual debt service requirements to maturity for government and other loans outstanding are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2043	200,000	-	200,000
Total	$ 200,000	$ -	$ 200,000

Business-Type Activities			
Year	**Principal**	**Interest**	**Total**
2026	7,501,788	2,035,273	9,537,061
2027	7,924,267	2,008,032	9,932,300
2028	8,050,052	1,846,910	9,896,961
2029	8,168,372	1,693,251	9,861,623
2030	8,289,313	1,536,971	9,826,284
2031-2035	40,722,272	5,287,864	46,010,135
2036-2040	28,189,150	1,617,959	29,807,109
2041-2045	4,767,054	168,411	4,935,466
2046	93,728	847	94,575
Total	$ 113,705,997	$ 16,195,517	$ 129,901,514

Special Assessment Bonds

The City has issued special assessment bonds for various capital construction purposes. These bonds were repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other foreclosure proceeds are received. As of December 31, 2025, the amount of CLID Special Assessment delinquency equals $29,854.

Revenue Bonds

The City issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are issued to finance the acquisition and construction of capital projects, and are created by ordinance, adopted by the City Council, and financed from enterprise fund revenues.

In November 2014, the City of Spokane sold $181,225,000 in Water Wastewater Utility revenue bonds to pay for a series of projects that are designed to improve the health of the Spokane River and to protect the aquifer that provides Spokane residents with their drinking water.

The bonds were designated as "green" bonds because they will be used to pay for "green" projects that provide environmental benefits. The work will improve water quality, protect water resources, and save energy, among other things.

The money raised through the bond sale, in large part, will help the City implement its Integrated Clean Water Plan. The plan includes work to manage overflows from combined sanitary and stormwater sewers, address untreated stormwater going to the river, and to add an additional level of wastewater treatment at the City's Riverside Park Water Reclamation Facility.

The city has pledged future water wastewater capital rate revenues, net of specified operating expenses, to repay $181,225,000 in water wastewater revenue bonds issued in December 2015. Proceeds from the bonds provided financing for capital improvements that will improve the health of the Spokane River, protect the region's sole-source drinking water aquifer, and make other necessary improvements to the Water and Wastewater System. The bonds are payable solely from Water and Wastewater capital rates and are payable through 2034. The total principal and interest remaining to be paid on the bonds is $126,321,583. Principal and interest paid for the current year and total customer net revenues were $13,549,028 and $13,549,028, respectively.

Revenue bonds outstanding at year-end are as follows:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
Water and Wastewater System Revenue Bonds 2014	Finance capital improvements that will improve the health of the Spokane River, protect the region's sole-source drinking water aquifer, and make other necessary improvements to the Water and Wastewater System	3.00% - 5.00%	$ 101,125,000
Total revenue bonds			$ 101,125,000

The annual debt service requirements to maturity for revenue bonds are as follows:

Business-Type Activities			
Year	**Principal**	**Interest**	**Total**
2026	9,645,000	3,904,778	13,549,778
2027	9,935,000	3,615,428	13,550,428
2028	10,250,000	3,302,475	13,552,475
2029	10,710,000	2,841,225	13,551,225
2030	11,190,000	2,359,275	13,549,275
2031-2035	49,395,000	4,809,375	54,204,375
Total	$ 101,125,000	$ 20,832,555	$ 121,957,555

B. Changes in Long-Term Liabilities

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

Long-Term Liabilities	Outstanding 12/31/2024	Additions	Reductions	Outstanding 12/31/2025	Due Within One Year
GOVERMENTAL ACTIVITIES					
General obligation bonds	183,685,000	-	(5,405,000)	**178,280,000**	6,050,000
Deferred amounts:					
Bond premiums at issuance [1]	4,173,823	-	(621,556)	**3,552,267**	596,102
Bond premiums on refunding [1]	1,103,415	-	(318,593)	**784,822**	257,137
Direct Borrowing	8,079,522	-	(3,832,310)	**4,247,212**	3,890,836
Government loans	200,000	-	-	**200,000**	-
Revitalization Areas	1,131,288	-	(459,057)	**672,231**	318,204
Lease liability	4,336,443	369,536	(622,209)	**4,083,770**	588,954
Subscription-based IT Arrangement liability	6,034,504	2,288	(2,101,699)	**3,935,093**	1,190,717
Claims and judgments	19,444,948	1,634,958	-	**21,079,906**	21,079,906
Net pension liability	152,668,033	80,650	(2,289,828)	**150,458,855**	-
OPEB liability	61,637,440	844,078	(4,023,693)	**58,457,825**	275,451
Termination Benefits	2,448,400	-	(449,200)	**1,999,200**	430,700
Compensated Absences	54,216,750	3,478,964	-	**57,695,714**	3,640,633
Total long term liabilities - governmental activities	499,159,566	6,410,474	(20,123,145)	**485,446,895**	38,318,640
BUSINESS-TYPE ACTIVITIES					
Bonds:					
Revenue bonds	110,310,000	-	(9,185,000)	**101,125,000**	9,645,000
Deferred amounts:					
Bond premiums at issuance [1]	2,592,310	-	(586,102)	**2,006,207**	392,308
Total bonds payable	112,902,310	-	(9,771,102)	**103,131,207**	10,037,308
Government loans	113,696,943	7,577,090	(7,568,036)	**113,705,997**	7,501,788
Lease liability	3,759,495	-	(424,608)	**3,334,887**	322,918
Net pension liability	98,866,258	-	(676,419)	**98,189,839**	-
Total OPEB liability	2,827,473	5,939	-	**2,833,412**	97,311
Landfill liabilities:					
Landfill closure	2,805,818	119,906	-	**2,925,724**	885,863
Postclosure monitoring	6,894,456	-	(267,337)	**6,627,119**	2,006,588
Compensated Absences	13,989,232	1,155,647	-	**15,144,879**	895,233
Total long term liabilities - business-type activities	355,741,985	8,858,582	(18,707,502)	**345,893,064**	21,747,009

[1] Beginning balance restated.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the governmental activities as follows:

Lease payable	$ 0.3 million
Subscription based IT arrangement payable	$ 0.3 million
Claims and judgments payable	$ 21.1 million
Net pension liability	$ 31.1 million
Total OPEB liability	$ 0.8 million
Compensated absences	$ 4.3 million

Funds used to liquidate net pension liability were general fund, operational special revenue funds, all internal service funds and the enterprise funds.

Legal Debt Margin

For purposes of determining the legal debt margin, the assessed valuation of the City for year 2025 is $ 35,247 million. Under State of Washington statutes, general obligation indebtedness pursuant to a vote of the electorate is limited to 2.5% of actual value of taxable property located within the City. Indebtedness without a vote of the people is limited to 1.5% of actual value subject to the limitation that total general purpose indebtedness may not exceed 2.5% of total valuation. There is a 2.5% limitation each for utility purposes and open space and park facilities purposes.

Legal Debt Margin	**Total**
General purpose voted and non-voted debt - 1.5%	$ 476,671,112
Utility voted debt - 2.5%	699,163,520
Open space and park facilities voted debt - 2.5%	881,168,520
Total remaining debt capacity	$ 2,057,003,153

Note 10
Interfund Balances and Transfers

A. Interfund Balances

Due to and from other funds result from goods issued, work performed or services rendered to or for the benefit of another fund of the same government. Interfund balances at December 31, 2025 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	14,911,406	5,429,833
American Recovery Plan	-	48,390
Water/Sewer Fund	1,187,450	7,552,449
Solid Waste Fund	415,066	4,522,268
Non-major Governmental Funds	11,061,087	15,148,562
Non-major Enterprise Funds	4,134,782	738,501
Internal Service Funds	6,117,311	4,387,099
Total Government Wide	37,827,102	37,827,102

B. Interfund Loans

Interfund loans are loans between funds for capital or cash flow purposes. These loans are offset by interfund loans receivable/advances to other funds as shown on the balance sheet across the funds. The SIP Interfund loans are accounted for in the Property Acquisition Fund and all debt service is transferred in from the borrowing funds. Interfund loans outstanding at December 31, 2025 are as follows:

Loan To:	Loan From:
Property Acquisition Fund	**Spokane Investment Pool[1]**
Gardner Building	698,293
Alki Building	1,079,186
University District Gateway	2,261,793
West Plains Fire Station	373,281
Golf Courses	3,597,918
Bond Refunding[2]	312,327
Dental Clinic	466,042
East Sprague Reconstruction	1,208,281
Parks Zamboni	101,027
Waste to Energy Equipment	1,954,776
Bond Refunding[3]	728,005
Public Safety	4,565,128

Loan To:	Loan From:
Property Acquisition Fund	**Spokane Investment Pool[1]**
Parking Meters	3,670,649
Solid Waste Trucks	3,091,218
CLID 223	58,975
Total	**24,166,899**

Loan To:	Loan From:
Golf Fund	**Spokane Investment Pool[1]**
Bond Refunding[2]	26,322

[1]The Spokane Investment Pool is allowed to invest up to 15% of its balance in City of Spokane bonds. Loans from this pool provide funds with which to pay the cost of acquiring property for public purposes.

[2]LTGO 2005A refunded via Ordinance C35430 approved by City Council on 08/29/2016

[3]LTGO 2016 refunded via Resolution 2024-0049 approved by City Council on 5/20/2024

Loan To (Various):	Loan From (General Fund)[1]:
General Fund Grants Fund	714,065
Human Services Grant Fund	6,302,874
Housing and Homeless Services	600,000
Community Development Block Grant Fund	323,728
Miscellaneous Community Development Grants Fund	331,016
HOME Program Fund	710,042
Total	**8,981,725**

[1]Resolution 2014-0080 authorizes grant invoices to be paid out of the General Fund before requesting the grant funding from the grantor, and replenishing the General Fund within 30 days.

[2] Resolution 2014-0120 authorizes the establishment of a working cash balance that is necessary to facilitate compliance with the federal grant requirements related to cash management.

C. Interfund Transfers

Interfund transfers represents a sharing of resources between funds. At the fund level, these transfers increase or decrease individual fund resources, but they do not affect the City's total resources. Interfund transfers for the year ending December 31, 2025 are as follows:

Transfer From:	**Transfer To:**							
Fund	General Fund	American Recovery Plan	Non-major Governmental Funds	Water/Sewer Fund	Solid Waste Fund	Non-major Enterprise Funds	Internal Service Funds	**Total**
General Fund	-	-	31,937,566	-	-	-	3,102,058	**35,039,624**
American Recovery Plan	32,449	-	-	-	-	-	-	**32,449**
Water/Sewer Fund	-	-	1,089,192	-	-	-	-	**1,089,192**
Solid Waste Fund	-	-	-	-	-	-	64	**64**
Non-major Governmental Funds	12,966,980	-	15,486,413	-	-	53,698	1,668,626	**30,175,717**
Non-major Enterprise Funds	-	-	-	16,850	-	-	80,968	**97,818**
Internal Service Funds	256,601	-	-	-	-	-	203,223	**459,824**
Total	**13,256,030**	**-**	**48,513,171**	**16,850**	**-**	**53,698**	**5,054,939**	**66,894,688**

The General Fund transfers were provided to various governmental funds to support day-to-day operations. The Water/Sewer funds were transferred to provide assistance on construction projects. Other funds made transfers support various costs associated with City operations, debt service, staffing, and capital projects. Transfers to the information technology fund are the result of transferring custody of computers and other peripheral equipment purchased by other city departments. Transfers from Asset Management to the General Fund and Fleet Services, from Water/Sewer to Streets and Information Technologies, from Solid Waste to Information Technologies and Asset Management, from Golf to Water, and from Development Services to Fleet Services were for capital assets previously owned contributed to governmental funds and are a one-sided entry because governmental funds at the fund level are measured on current financial resources and modified accrual and need to be converted to economic resources and full accrual basis in the government wide statements.

Note 11

Joint Ventures

The City participates in three joint ventures. These are the Spokane International Airport (SIA), the Spokane Regional Transportation Council (SRTC) and the West Plains/Airport Area Public Development Authority. The City does not contribute any monies toward the operation of the Spokane International Airport. General fund monies are contributed to support the Spokane Regional Transportation Council. In 2025, $69,900 was paid to the Spokane Regional Transportation Council. General fund monies are contributed to support the West Plains Public Development Authority.

Spokane International Airport
SIA is jointly operated by the City and County of Spokane through a joint operating agreement in accordance with the "Airport Joint Operating Agreement"; which was last amended February 2, 2010. This agreement is pursuant to RCW 14.08.200. The audited summary below is for the fiscal year ended December 31, 2025 for the Spokane International Airport.

Spokane International Airport		**2025**
Total Assets	$	736,553,698
Total Deferred Outflow of Resources		5,456,814
Total Liabilities		(180,153,399)
Total Deferred Inflow of Resources		(49,635,829)
Total Net Position	**$**	**512,221,284**
Total Revenues	$	62,232,427
Total Capital Contributions		31,925,276
Total Expenses		(83,783,853)
Total Nonoperating Revenue & Exepenses		14,253,181
Net Increase in Net Position	**$**	**24,627,031**
Net Position, Beginning of Year	$	487,594,253
Net Increase in Net Position		24,627,031
Net Position, End of Year	**$**	**512,221,284**

At December 31, 2025, the airport had other long-term debt payable totaling $138,809,495.

The Spokane Airport Board administers the operations of the airport. It is composed of seven members, three of which are appointed by the County, three by the City, and one non-specific appointee. The City does not exercise any specific control over the budgeting and financing of the airport's activities. The complete financial

report may be obtained by contacting the Spokane International Airport, 9000 W. Airport Drive, Suite 207, Spokane, WA, 99224.

Spokane Regional Transportation Council
SRTC operates under an Interlocal Agreement adopted by participating entities that include the City of Spokane, Spokane County, Spokane Transit Authority (STA), the City of Spokane Valley, Washington State Department of Transportation (WSDOT), Washington State Transportation Commission, the Spokane Airport Board (SAB), and the incorporated towns within the County. In 1965 the Washington State Legislature created the current statutory authority that provided for coordinated regional planning within the State.

The Council operates under a Board consisting of fourteen voting members and three ex-officio non-voting members. Voting members consist of two County Commissioners, two City Council members, three elected officials representing the small cities, one elected official representing small towns, one representative from the City of Spokane Valley, one person representing STA, (the STA Chief Executive Officer), one representative from WSDOT, one member from the Washington State Transportation Commission, one member from a major employer, and one member representing the SAB (the SAB Chief Executive Officer). Ex-officio members consist of one member representing rail, the Chair of the Transportation Advisory Committee, and the Chair of the SRTC Transportation Technical Committee. The Board selects management of the Council. Control over collection and disbursement of funds resides with the Council.

The Spokane Regional Transportation Council is audited by the Office of State Auditor. At December 31, 2025 the Spokane Regional Transportation Council had no long-term debt outstanding.

The unaudited summary for the fiscal year ended December 31, 2025 is presented below.

Spokane Regional Transportation Council		**2025**
Total Assets	$	960,781
Total Liabilities		(960,781)
Total Net Position	**$**	**-**
Total Revenues	$	3,367,723
Total Expenses		(2,823,751)
Net Decrease in Net Position	**$**	**543,972**

The complete financial report may be obtained by contacting the Spokane Regional Transportation Council, 421 West Riverside Avenue, Suite 500, Spokane, WA, 99201.

West Plains/Airport Area Public Development Authority
West Plains/Airport Area Public Development Authority operates under an Interlocal Agreement adopted by participating entities that include the City of Spokane and Spokane County.

The PDA operates under a Board consisting of five voting members and two at-large business representatives selected by the five permanent Board Members. Each Board Member shall have an equal vote and vote in all Board decisions. Initial funding for the PDA's operating and expense budget will be for the first three (3) years, the County, City and Spokane Airport shall each provide $60,000 per year as preliminary funding for operation of the PDA. The Board shall have oversee the activities of the corporate officers, establish and or/implement

policy, participate in corporate activity, and shall have stewardship for management and determination of all corporate affairs.

The West Plains/Airport Area Public Development Authority is audited by the Office of the State Auditor.

The unaudited summary for the fiscal year ended December 31, 2025 is presented below.

West Plains Airport Area Public Development Authority		**2025**
Total Assets	$	20,136,507
Total Liabilities		(4,741,744)
Total Net Position	**$**	**15,394,763**
Total Revenues	$	2,937,786
Total Expenses		(2,222,249)
Net Increase in Net Position	**$**	**715,537**
Net Position, Beginning of Year	$	14,679,226
Net Increase in Net Position		715,537
Net Position, End of Year	**$**	**15,394,763**

Water/Sewer Fund – Interlocal Agreements

Contracts Receivable and Due From Other Governmental Units
During 1982, the City of Spokane and Spokane County entered into an Interlocal Agreement whereby the County agreed to pay $5,779,709 for sewage treatment capacity at the Riverside Park Water Reclamation Facility. Per the agreement, the City will process up to ten million gallons per day for the County. Payments were adjusted annually using an implicit price deflator with January 1985 as the base period. The final capacity payment was received in 1999. Currently only annually adjusted operations and maintenance treatment charges, pretreatment charges, and 10/44ths of water quality capital improvements at the Riverside Park Water Reclamation Facility are billed to Spokane County under the 1982 Interlocal Agreement.

Spokane County Utility Tax Payments
In October 2003, Spokane County began withholding the portion of its wastewater bill it computed as representing municipal taxes. In November 2003, Spokane County commenced a lawsuit to determine if the municipal taxes should be included as an expense in the calculation of the wastewater treatment rate for Spokane County. In January 2007, an agreement was reached in mediation between the City and Spokane County, which was approved by the Spokane City Council on April 30, 2007.

The agreement resulted in Spokane County paying $1,500,000 to the City on the outstanding balance of their utility bill and the City removing the tax component from its billings to Spokane County. The County will continue to make payments to the City, on a sliding percentage rate of their charges for wastewater utility services, in lieu of taxes, until the year 2021. Beginning in the year 2022, there will be no further payments in lieu of taxes.

Note 12
Commitments & Contingencies

A. Disability Supplemental Pensions

The Department of Labor and Industries made a determination that eleven employees of the City were totally disabled as the result of industrial injuries. This determination required the employees to be placed on the pension rolls of the Department of Labor and Industries supplemental pension fund, which provides monthly pension benefits. Since the City is self-insured, the City is responsible for funding these pension benefits. The City has deposited $2,689,648 with the State of Washington which represents the full present value of the pensions as of June 30, 2025. The State will invest this amount on the City's behalf, and pay pensions each month from that deposit. Interest earnings will accrue to the deposit. Each year, in June, the pensions are actuarially re-evaluated and excess monies are returned to the City, or deficit monies are remitted to the State. The City will remit $150,671 for the 2025 deficit.

B. Downtown Housing Stabilization

The Downtown Housing Stabilization Program is a program developed by the Financial Issues Task Force of the Downtown Capital Needs Committee in the early 1990s. The Stabilization Program was designed to maximize opportunities for private investment to respond to the critical need for affordable housing units for low-income residents of the Downtown Community. The City has assumed the role of Loan Loss Guarantor for loans made by private investors on properties purchased as part of the program. No new loans have been made under this program since 1994.

C. Spokane Public Facilities District

In August 2003 the City executed an interlocal agreement with the Spokane Public Facilities District (PFD) related to the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center (collectively known as the Spokane Center) and the Spokane Veterans Memorial Arena. The purpose of the agreement was to set forth agreements relating to PFD's acquisition of the existing facilities, the expansion of the Spokane Convention Center, and the operation and maintenance of the Spokane Center facilities and the Arena. The agreement terminated the City's operation agreement for the Arena, and transferred 2/3 ownership of the Spokane Center assets to the PFD. The interlocal agreement also laid out certain annual obligations of the City to the PFD related to the Spokane Center: This agreement was modified in May 2009 and contains the following stipulations:

1. The City will transfer to the PFD all admission taxes collected at Spokane Center and Arena events.

2. The City will transfer to the PFD all lodging tax revenues collected, after deducting amounts sufficient to service the City's outstanding debt payments related to Spokane Center assets and $100,000 annually to be allocated by the City's Lodging Tax Advisory Committee. The $100,000 allocation shall be adjusted annually by using the Consumer Price Index (CPI) or other closely related index if that index is discontinued. If the CPI is greater than 2%, the City can consider negotiation of transferring the incremental increase to the District, but is not required to do so.

3. The City will transfer to the PFD all stadium tax revenues collected.

This agreement is valid through December 31, 2038.

D. Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include street construction, parks, water/sewer infrastructure and transfer station upgrades, and technology upgrades. At year end, outstanding construction commitments are as follows:

Construction Commitments	Original Commitment	Spent to Date	Remaining Commitment at 12/31/2025
2024 Cure In Place Pipe	1,555,108.78	-	1,555,108.78
2025 Local Access G&O	1,780,503.69	1,581,646.38	198,857.31
29th Washington Monroe Lincoln G&O	5,468,067.00	4,965,146.99	502,920.01
3rd Ave, Stevens to Division G&O	1,262,340.27	-	1,262,340.27
ADA Ramps for 2025 St Maint	645,040.00	446,448.31	198,591.69
ARPA Cannon Hill Pond	150,000.00	35,842.50	114,157.50
ARPA Capital Projects at West Central Community Center	124,418.08	644.86	123,773.22
Arterial PHB	1,625,071.80	-	1,625,071.80
CCB Partial Roof Replacement	1,522,305.99	1,500,529.62	21,776.37
CNG Fuel Line Expansion	4,775.33	-	4,775.33
Cochran Basin Stormwater Vault	8,068,531.17	7,419,589.30	648,941.87
CSO Tank Rehab	1,496,139.47	1,284,956.73	211,182.74
Desmet Ave Sewer	1,209,590.39	941,370.03	268,220.36
Emergency Slip Linning	250,000.00	242,262.47	7,737.53
Fire Roof Replacements	140,022.27	116,282.43	23,739.84
Francis Assembly Water	3,901,215.77	2,372,238.01	1,528,977.76
Freya Street Water Distribution Main 21st Ave to 13th Ave	1,991,857.21	1,801,671.27	190,185.94
FREYA UTILITY AND STREET IMPROVEMENTS	3,396,114.74	2,801,313.64	594,801.10
High System Reservoir	11,800,558.00	10,239,680.92	1,560,877.08
Hoffman Well Rehab	2,886,754.37	2,865,254.37	21,500.00
Library Branch Remodels & Construction	1,277,143.71	1,250,994.42	26,149.29
Lincoln Ped Bike Safety	2,912,324.80	2,462,703.61	449,621.19
Maple Walnut G&O	2,418,017.80	1,203,330.18	1,214,687.62
Market Monroe 29th G&O	4,398,892.14	4,321,539.18	77,352.96
Maxwell Bike Ped Safety	1,375,024.97	1,237,077.66	137,947.31
NSC Ralph Street Improvements	151,499.94	415.38	151,084.56
Parks Becaon Hill Projects	1,905,944.57	-	1,905,944.57
Parks Electrical Services	6,775.20	-	6,775.20
Parks Pool Repairs	107,214.82	55,332.16	51,882.66
Perry St Sewer Main	651,607.00	588,856.49	62,750.51
Plains Booster Station	5,898,827.08	4,461,729.35	1,437,097.73
Police Academy Renovation	245,700.00	175,983.26	69,716.74
Post Street Pedestrian and Utility Bridge Replacement	24,105,607.50	22,717,782.57	1,387,824.93
Rockwood Blvd G&O	407,636.71	341,020.97	66,615.74
Rockwood G&O	299,940.89	256,467.68	43,473.21
Scott Elementary	1,215,657.58	1,014,244.40	201,413.18
SIA System Additional Reservoir	5,010,730.00	4,348,194.93	662,535.07
Spague, Alki, Broadway G&O	1,059,036.67	113,486.08	945,550.59
Spokane Safe Streets for All Cycle 10	50,000.00	47,181.83	2,818.17
Sprague, Alki, Broadway G&O	2,413,294.87	981,780.30	1,431,514.57
SSS4A Cycle 12	841,660.05	707,540.40	134,119.65
Stevens Elementary	1,002,988.80	879,134.20	123,854.60
Sunset Highway	1,920,844.75	-	1,920,844.75
Thorpe Reservoir #2	5,113,626.69	4,861,550.56	252,076.13
Upper River Dam Projects	989,978.62	384,102.75	605,875.87
US 195 Meadowlane	2,392,692.50	-	2,392,692.50
Waste to Energy Facility Projects	156,925.00	-	156,925.00
Water Department Main Campus - Office Renovation	8,871,470.39	8,406,739.48	464,730.91
Well Electric Well Field Study	3,727,532.73	3,304,793.07	422,739.66
Wellesley - Freya to Havana	2,780,283.68	-	2,780,283.68
WQTIF Public Infrastructure	190,000.00	-	190,000.00
Grand Total	**$ 133,177,294**	**$ 102,736,859**	**$ 30,440,435**

E. Developer Improvements

In 2007, the City Council adopted Ordinance C34758 authorizing an "Amended and Restated Reimbursement Agreement". Under Article V of that agreement, the developer may offer to sell the City certain public improvements according to the terms of a "Form of Purchase and Sale Agreement." Since 2012 the developer has exercised that right and entered into the following agreements with the City.

Contract	Description		Amount	Interest Rate	Expiration Date
OPR 2012-0484	Kendall Yards Tendered Improvements 2nd Addition	$	574,038	0.1443%	12/15/2032
OPR 2013-0651	Kendall Yards Tendered Improvements 4th Addition		808,603	0.1443%	12/15/2032
OPR 2015-0555	Kendall Yards Tendered Improvements 5th Addition		612,033	0.1443%	12/31/2032
OPR 2015-0038	Kendall Yards Tendered Improvements Commercial Addition		1,446,910	0.1443%	12/31/2032
OPR 2014-0543	Burgans' Block		250,000	30 yr Treasury Bond + 2%	12/31/2034
		$	**3,691,584**		

F. Landfill Closure

On July 21, 1987, the City ceased disposal operations at its Southside Landfill. During 1988, the Southside landfill closure was completed at a total cost of $5.4 million. These closure costs were paid using previously reserved cash and the total closure amount was recorded as an expense in 1988.

The City started closing the Northside Landfill in 1991. The closure was completed during 1993 for a total cost of $19.4 million. These closure costs were paid using approximately $3.1 million of previously reserved cash and $16.3 million of the Spokane Regional Solid Waste Management System Revenue Bond proceeds. The City Council and Spokane County Board of County Commissioners approved an interlocal agreement which required that tipping fees established by the Spokane Regional Solid Waste Management System shall have a landfill closure component which will provide a source of revenue to the City and the County for the payment of pre-existing landfill costs. The City's portion of the closure component covers the debt service requirements on $16.3 million of revenue bond proceeds. A Northside landfill closure liability was recorded as a deferred cost on January 1, 1988 and was charged to expense over a 20 year period as these amounts were recovered through rates charged to customers. The deferred cost was fully amortized during 2007.

G. Postclosure Landfill Monitoring

The $9.5 million reported as landfill postclosure care liability at December 31, 2025 represents the cumulative amount required to monitor and maintain the closed portion of the Northside landfill, the open portion (Phase 1) of the Northside Regional landfill and the closed Southside landfill for the next 20-30 years. All amounts recognized are based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has restricted $2.9 million in assets related to the post-closure monitoring of the closed portion of the Northside landfill, and $2.3 million for post-closure monitoring of the open portion of the Northside landfill. No assets have been restricted for future costs of $1.3 million for the Southside landfill based on the City's interpretation of the applicability of Washington Administrative Code 173-304-467. This landfill has a remaining useful life of approximately 14 years.

Landfill Monitoring	Northside Landfill	Southside Landfill	Total
Estimated Post closure costs	$ 2,965,419	$ -	$ 2,965,419
Accrued post closure costs	2,348,635	1,313,065	3,661,700
Accrued closure liability	2,925,724	-	2,925,724
Total	$ 8,239,778	$ 1,313,065	$ 9,552,843

H. Northside Regional Landfill

Beginning in 1992, the City started using a recently completed Northside Regional Landfill for the disposal of bypass waste and demolition debris. The 16 acre cell has a capacity of approximately 400,000 cubic yards (Phase I) and may be increased an additional 600,000 cubic yards (Phase II). State and federal laws and regulations require the City to place a final cover on the Northside Regional Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for twenty years after closure. Postclosure care consists of (1) maintaining the integrity and effectiveness of the final cover; (2) maintaining and operating the leachate collection system; (3) maintaining and operating the ground and surface water monitoring systems; and (4) maintaining and operating the gas monitoring systems. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City recognizes a portion of these costs in each operating period based on landfill capacity used as of the balance sheet date.

The $2.9 million reported as landfill closure liability at December 31, 2025 represents the cumulative amount reported based on the use of 46.7 percent of the estimated capacity of Phase 1. During an engineering study conducted in 2021 it was discovered that additional capacity exists in the NSLF open cell and adjacent to the open cell. The City will recognize the remaining estimated cost of closure of $1.3 million as the remaining estimated capacity (Phase 1) is filled. All amounts recognized are based on what it would cost to perform all closure and postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

As of December 31, 2025, the City held $2.4 million of restricted cash, which is reserved for the closure of the Northside Regional Landfill (Phase 1).

The Yard

The YARD is located in the Hillyard Area of Northeast Spokane and encompasses approximately 500 acres of Heavy and Light Industrial zoned property. As a key industrial space, the YARD is modernizing to include upgraded transportation options and enterprising redevelopment initiatives.

The City of Spokane has applied for $600,000 in EPA Brownfields Assessment and Clean up grant funds to contract for consulting services to evaluate the sites in the Yard, present the cleanup alternatives along with associated costs. There is no reasonable estimate of the pollution remediation liability at this time.

The City has included in its estimated liability those portions of the environmental remediation work that are currently deemed to be reasonably estimable. Cost estimates were developed using the expected case flow technique in accordance with GASB standards.

The City is aggressively pursuing other third parties that may have contributed to contamination of the sites within the City and continues to evaluate all properties for various contaminants in order to better understand the extent of any contamination and/or possible claims for cleanup costs. The City has not yet received any recovery from other Parties for their share of remediation work that will offset the City's estimated environmental liability which was zero for 2023 and 2024.

Note 13

Adjustments and Restatements of Beginning Balances

During 2025, the City made the following error corrections:

- An adjustment was made to the beginning balance of equity in pooled investments for General Fund of $2,409,797.
- An adjustment was made to interest receivable beginning balance for Governmental Activities of $482,130 and Business-type Activities of $1,344,948.
- Governmental Activities internal balances asset was decreased by $1,622,739 and the Business-type Activities internal balances asset was increased by the same amount.
- An adjustment was made to the Governmental Activities capital asset beginning balance of $371,984 including $19,754 related to Internal Service funds.
- An adjustment was made to the Governmental Activities deferred bond premium on issuance of $4,326,454 and deferred bond premium on refunding of $2,433,348 related to long-term liabilities.
- An adjustment was made to the General Fund due from other governments beginning balance of $155,982.
- The General Fund restated beginning balances for accounts receivable by $194,941. An offsetting adjustment was made to the Pension Contributions fund accounts receivable balance.
- Beginning balance adjustments were made to the General Fund to leases receivable of $638,914, lease interest receivable of $176, and lease deferred inflows of $642,819.
- The HOME fund restated the beginning balance of Notes/Contracts Receivable by $473,451.
- The Arterial Streets fund restated the beginning balance of accounts receivable by $112,421.
- The Water/Sewer fund restated beginning accounts receivable by $155,417, beginning capital assets by $29,358, beginning bond premiums on issuance by $4,958,269, and beginning due to other governments by $9.
- The Solid Waste fund restated beginning capital assets by $44,379,541 due to revised estimated useful lives.
- The Building Services fund restated beginning accounts receivable by $74,760.

The effect of the changes within the government-wide financial statements is summarized below:

	Government-Wide	
	Governmental Activities	Business-Type Activities
Net position, beginning as previously reported	$ 1,535,171,821	$ 843,802,362
Error correction - equity in pooled investments	2,409,797	-
Error correction - interest receivable	(482,130)	(1,344,948)
Error correction - internal balances	(1,622,739)	1,622,739
Error correction - lease receivables	638,914	-
Error correction - lease interest receivables	(176)	-
Error correction - lease deferred inflows	(642,819)	-
Error correction - accounts receivables	112,422	230,177
Error correction - due from other governments	155,982	-
Error correction - loan receivable	473,451	-
Error correction - capital assets	(371,984)	44,379,541
Error correction - deferred bond premium on issuance	4,326,454	4,958,269
Error correction - deferred bond premium on refunding	2,433,348	-
Error correction - government loans	-	(9)
Net position, beginning as restated	$ 1,542,602,341	$ 893,648,131

The effect of the changes within the fund financial statements is summarized below:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances					
	General Fund	Nonmajor Governmental Funds	Water/Sewer	Solid Waste	Nonmajor Enterprise	Internal Service
Net position or fund balance, beginning as previously reported	$ 38,999,178	$ 127,545,288	$ 829,467,311	$ 26,557,923	$ 5,835,206	$ 51,485,452
Error correction - equity in pooled investments	2,409,797	-	-	-	-	-
Error correction - interest receivable	858,126	(733,006)	(969,983)	(243,409)	(131,556)	(607,250)
Error correction - correct lease receivables	638,914	-	-	-	-	-
Error correction - correct lease interest receivables	(176)	-	-	-	-	-
Error correction - correct lease deferred inflows	(642,819)	-	-	-	-	-
Error correction - accounts receivable	194,941	(82,519)	155,417	-	74,760	-
Error correction - due from other governments	155,982	-	-	-	-	-
Error correction - loan receivable	-	473,451	-	-	-	-
Error correction - capital assets	-	-	29,358	44,350,183	-	19,754
Error correction - unamortized premium	-	-	4,958,269	-	-	-
Error correction - government loans	-	-	(9)	-	-	-
Net position or fund balance, beginning as restated	$ 42,613,943	$ 127,203,214	$ 833,640,363	$ 70,664,697	$ 5,778,410	$ 50,897,956

Note 14

Legal Matters

In the normal course of governmental operations the City has claims filed against it for various losses related to tort actions for such things as wrongful acts, injuries, or damages for which a civil action can be brought, and other routine legal proceedings. At any given point in time, there is a recurring volume of tort and other claims for compensation and damages against the City, which could impact expenditures. The City's Risk Management Fund provides for these claims, and insurance is available to pay a portion of damages for certain types of claims. The collective impact of these claims is not likely to have a material impact on the City's financial position. There are no known pending or anticipated legal matters that would materially affect the financial statements of the City for the year ending December 31, 2025.

Note 15

Subsequent Events

As of year-end, the City has identified certain past due amounts related to taxes under the Spokane Municipal Code that are legally enforceable and are being actively pursued. The matter is subject to ongoing legal review and may result in litigation. Due to the uncertainty regarding the outcome and timing of collection, no receivable has been recorded in the financial statements as of December 31, 2025. The City continues to evaluate its options and intends to pursue all appropriate avenues for recovery.

Spokane Complex Fire

On August 01, 2026, the Spokane Complex Fire, consisting of the Old Trails Fire, Autumn Lane Fire, and Fairview Fire, broke out on the northwest side of the City. The Old Trails Fire destroyed approximately 600 homes and other structures within City limits. The Spokane Complex Fire scorched over 10,000 acres, but there have been no reported fatalities even though at the peak of the event approximately 67,000 people were evacuated. On August 04, 2026, the Mayor, Lisa Brown, declared a State of Emergency which was ratified by the City Council at the August 19, 2026 legislative meeting unanimously. On August 10, 2026, Governor Ferguson proclaimed a State of Emergency for the City and Spokane County and made State resources available. A major disaster declaration is pending as every impacted jurisdiction is currently documenting Preliminary Damage Assessments (PDA).

Hundreds of City employees and residents were adversely impacted by the Spokane Complex Fire. Many employees lost personal property, and were evacuated from their homes for several days with approximately a half dozen losing their homes entirely. The Spokane Complex Fire incident has created complex administrative and personnel issues that are currently being identified and assessed. The City's own PDA estimates total property and equipment loss at approximately $10,900,000 as of August 26, 2026. The City expects to recover approximately 85% of the replacement costs through insurance and state & federal assistance. The remaining financial impact will be absorbed by Public Works reserves. The 2026 estimated reduction in property tax revenue to the General Fund will be approximately $0.6 million.

PFAS Potential Liability

The City of Spokane co-owns with Spokane County the land upon which the Spokane International Airport ("Airport") operates. In 2023, the Airport was added to the Department of Ecology's Contaminated Sites List due to elevated levels of per- and polyfluoroalkyl substances (PFAS). In June 2025, Ecology provided preliminary notification to the city and county as a potentially liable party for cleanup of contamination. In late 2025, the City, County, and Ecology entered into an Agreed Order establishing a framework for investigation and remediation.

Under the Agreed Order, a short-term interim action work plan is currently in place to provide safe drinking water to affected private well users, while a long-term remedy — either point-of-entry treatment (POET) systems or connection to municipal water service — is under development.

No liability has been recognized in the financial statements as of the reporting date. Management has determined that an obligating event occurred, but the cleanup cost cannot yet be reasonably estimated, as the scope, remedy, and cost-sharing arrangement among the responsible parties remain under investigation. At this time, it is not possible to determine when a reasonable estimate will be available or whether the ultimate liability will have a material effect on the City's future financial position. The City will continue to evaluate this matter as additional information becomes available.

Note 16
Tax Abatements

A. Multiple-Family Housing Property Tax Exemption Program

Required disclosure by the City of Spokane concerning compliance with GASB standards which requires governments that enter into tax abatement agreements to disclose the following information about those agreements:

1. Tax being abated: The City of Spokane adopted the 'Multiple Family Housing Property Tax Exemption Program' in March of 2000 in order to accomplish the following goals:
    a. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
    b. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
    c. increase the supply of mixed-income multifamily housing opportunities within the City;
    d. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
    e. promote community development, neighborhood revitalization, and availability of affordable housing;
    f. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
    g. encourage additional housing in areas that are consistent with planning for public transit systems.
    h. Any one or a combination of these purposes may be furthered by the designation of a residential targeted area
    i. To accomplish these goals, the City of Spokane offers a partial property tax exemption to eligible property owners who construct new multi-family housing or rehabilitate existing vacant and underutilized buildings for multi-family housing in specific targeted urban centers of the City. Under this incentive, the land is fully taxed but the value of new improvements related to housing is exempt from property taxes. The exemption period is 8 years for market rate projects, and 12 years for projects that price at least 20% of the units to be affordable for low to moderate income households.

2. The authority under which tax abatements are provided: The multiple-family housing property tax exemption is authorized by the Spokane Municipal Code section SMC 8.15 and the Revised Code of Washington section RCW 84.14.

3. Eligibility criteria: To be eligible for a partial property tax exemption under this program, the property must satisfy all of the relevant requirements, as follows:
    a. Located in a residential targeted area in an urban center.
    b. The multi-family project must consist of at least 4 dwelling units, either within a solely residential structure or as part of a mixed use development in which at least 50% of the space within the development is intended for permanent residential occupancy.
    c. New construction, or conversion of non-residential space: A minimum of 4 new dwelling units must be created.
    d. Rehabilitation or demolition in preparation for new construction: The residential portion must fail to comply with one or more standards of the building codes, and the project must achieve substantial compliance with the applicable standards.
    e. If existing multi-family housing is occupied, the project must add a minimum of 4 dwelling units. Also, the applicant must provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. If the multi-family property has been vacant for 12 or more months, the project must rehabilitate at least 4 of the existing dwelling units but does not have to provide additional multi-family units.

f. If the multi-family structure has not been vacant for 12 months, the project must rehabilitate all the existing structures and create 4 additional units. Eligible market rate projects get 8 years of partial tax exemption. In order to qualify for 12 years of partial tax exemption, at least 20% of the units in a project must be rented or sold for a price affordable to low (≤80% AMI) or moderate (80-115% AMI) income households. Projects intended solely for owner occupancy need only target 20% of the units to moderate-income households. "Affordable" housing means that housing costs (including utilities other than telephone) should not exceed 30% of the occupant's monthly income. The project must comply with all applicable zoning requirements, design review requirements, land use regulations, and building and housing code requirements at the time of new construction, rehabilitation or conversion.

g. This program applies to construction or rehabilitation of 4 or more dwelling units in one building on one parcel. The program may also be used for rehabilitation of existing multi-family housing that is in "non-compliance" with one or more standards of the building or housing codes. Work must be completed within 3 years of the date of the Conditional Certificate of Acceptance of Tax Exemption.

4. Mechanism by which taxes are abated: The tax exemption begins January 1 of the year following the calendar year is which the Final Certificate of Tax Exemption is issued, and runs for 8 or 12 years. A property owner within a designated "residential target area" can apply for the property tax exemption. The City Council has designated three residential target areas:
    a) Central Business District
    b) Browne's Addition/Peaceful Valley
    c) Centers and Corridors

    An application for this tax exemption program must be submitted before an application for building or other construction permits. Once approved, a contract is filed with the County Assessors office and is noted on the individual's property tax filing. This is not a reduction in current property taxes it is an exemption of taxes on the assessed value of the improvements.

    For example an individual has a piece of property with the assessed value of $40,000 they qualify for an exemption and the improved assessed value is $240,000 the individual will only pay the taxes on the original $40,000 until the contract expires.

5. Provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients: The city has no provisions to recapture abated taxes. However, the city has requirements that must be met by the applicants including but not limited to the following.
    Application for the multi-family housing tax exemption is made through the City of Spokane using the application forms available from the Development Incentives Department located on the 3rd floor of City Hall. The application includes:
    a) Application for Tax Exemption, including
        i. Description of Project
        ii. Preliminary Site and Floor Plans
        iii. "Before" photos
        iv. Statement of Potential Tax Liability
    b) Verification of Code Noncompliance (if applicable)
    c) Application fee: $450 + $80/dwelling unit up to an additional $560
    d) Approval Process
        i. Code Non-compliance….. Building Official, Fire Marshall, or Code Enforcement
        ii. Application for Conditional Certificate….. Development Incentives
        iii. Building Permit..……. Building Department
        iv. Resolution……. City Council
        v. Agreement [the contract] Mayor's Office
        vi. Conditional Certificate….. Mayor's Office
        vii. Certificate of Occupancy... Building Department
        viii. Application for Final Certificate…….…… Development Incentives
        ix. Partial Tax Exemption…... Assessor's Office

e) Within 30 days of receipt of all materials required for a final certificate, the Director of Development Incentives will determine whether the completed work is consistent with the contract and qualifies for the exemption. If the Director determines the work is consistent with the contract and qualifies for the exemption, within 10 days after making the determination, the City will file a Final Certificate of Tax Exemption with the County Auditor, with a copy to the County Assessor and City Clerk.

f) If the Director determines that the work is not consistent with the contract or otherwise does not comply with requirements for the tax exemption, including completion within 3 years and affordable housing requirements, the Director will notify the applicant in writing, stating the reasons why the Final Certificate of Tax Exemption will not be issued. The applicant may appeal this decision following the timeframes outlined under the "appeals" portion of this brochure.

g) Within 30 days after the first anniversary of the date when the Final Certificate of Tax Exemption was filed and recorded with the Spokane County Auditor, and each year thereafter for the tax exemption period, each property owner must file an annual report form with the Development Incentives Department regarding the current occupancy, use and affordability of the property and describing any improvements or changes that have since been made to the property. Failure to submit the annual report, or changing the use from residential may result in cancellation of the tax exemption.

6. The gross dollar amount of taxes abated during the period: The gross benefit to all property owners during the 2025 fiscal year was $4,316,790.

7. Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

    a. The program established by this program authorized by the Spokane city council and has been extended to expire December 31, 2028, unless extended by the city council by ordinance. Upon expiration, no further applications for a conditional certificate of tax exemption shall be accepted. Incomplete applications shall be returned to the applicant. Pending complete applications for a conditional certificate, extension of conditional certificate and final certificate shall be processed as provided in this city code section.

The City is also subject to tax abatements (exemptions) for two programs in the 2020 fiscal year (1) Multi-unit urban housing (2) High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities that are granted by the Washington State Department of Revenue. The amount of tax benefit received by the taxpayers for the calendar year 2020 have been estimated by the WA State DOR and are available on their website at https://dor.wa.gov/doing-business/information-local-governments/governmental-accounting-standards-board-gasb-statement-no-77.

Under the Multi-unit urban housing the following are exempt from taxation:
(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under chapter RCW 84.14.020 is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate; and

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under chapter 84.14 RCW and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income

eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households.

(b) The exemptions provided in (a)(i) and (ii) of this subsection do not include the value of land or non-housing-related improvements not qualifying under this chapter.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on non-qualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.

Under the High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible area" means:

(a) Through June 30, 2010, a rural county as defined in RCW 82.14.370; and

(b) Beginning July 1, 2010, a qualifying county.

(4)(a) "Eligible investment project" means an investment project that is located, as of the date the application required by RCW 82.60.030 is received by the department, in an eligible area as defined in subsection (3) of this section.

(b) "Eligible investment project" does not include any portion of an investment project undertaken by a light and power business as defined in RCW 82.16.010(4), other than that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part, or investment projects that have already received deferrals under this chapter.

(5) "Initiation of construction" has the same meaning as in RCW 82.63.010.

(6) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.

(7) "Manufacturing" means the same as defined in RCW 82.04.120. "Manufacturing" also includes:

(a) Before July 1, 2010: (i) Computer programming, the production of computer software, and other computer-related services, but only when the computer programming, production of computer software, or other computer-related services are performed by a manufacturer as defined in RCW 82.04.110 and contribute to the production of a new, different, or useful substance or article of tangible personal property for sale; (ii) the activities performed by research and development laboratories and commercial testing laboratories; and (iii) the conditioning of vegetable seeds; and

(b) Beginning July 1, 2010: (i) The activities performed by research and development laboratories and commercial testing laboratories; and (ii) the conditioning of vegetable seeds.

(8) "Person" has the meaning given in RCW 82.04.030.

(9) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for manufacturing or research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, mill, plant, or laboratory used for manufacturing or research and development. If a building is used partly for manufacturing or research and development and partly for other purposes, the

applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

(10) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year. The term "entire tax year" means a full-time position that is filled for a period of twelve consecutive months. The term "full-time" means at least thirty-five hours a week, four hundred fifty-five hours a quarter, or one thousand eight hundred twenty hours a year.

(11) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(12) "Qualifying county" means a county that has an unemployment rate, as determined by the employment security department, which is at least twenty percent above the state average for the three calendar years immediately preceding the year in which the list of qualifying counties is established or updated, as the case may be, as provided in RCW 82.60.120.

(13) "Recipient" means a person receiving a tax deferral under this chapter.

(14) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun, but only when such activities are intended to ultimately result in the production of a new, different, or useful substance or article of tangible personal property for sale. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

Information relevant to disclosure of those programs for the fiscal year ended December 31, 2025 is:

Tax Abatement Program State Imposed	**Amount of Taxes Abated during the Fiscal Year 2025**
Multi-unit urban housing	$ 2,624,954
High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities	4,634
Total	**$ 2,629,588**

Note 17

Asset Retirement Obligation

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. Governments that have a legal obligation to perform future tangible asset retirement activities are now required to recognize a liability and offsetting deferred outflow of resources when the obligation associated with these costs has been incurred and the costs are reasonably estimable. The basis of the estimate is the current value of the expected future outlays, and is adjusted for inflation and any changes in relevant factors. The deferral is recognized as an expense in a systematic and rational manner over the life of the tangible capital asset. The liability is extinguished as retirement costs are paid. Potential ARO's identified by the City of Spokane are as follows:

- **Underground Storage Fuel Tanks (UST)-** Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-360A-0810. These tanks along with the facility were placed into service 18 years ago. The City has not recognized an obligation for the costs that would be incurred in the event the City of Spokane would cease its operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.
- **Hydroelectric Dam-** The Federal Energy Regulatory Commission (FERC) regulates dams that produce electricity, and a decommissioning plan is required as part of the surrender process at the dam's end of life. However, end of life might not be determinable for many dams, particularly those that potentially last hundreds of years. This Hydroelectric Dam has no remaining depreciable life and all assets associated with it are associated with maintenance costs or replacement of a component and do not fall under GASB guidance for an ARO, therefore, the City has not recognized an obligation for the costs that would be incurred in the event the City of Spokane would cease its operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.
- **Wastewater Treatment Plant-** Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-303-610 and site preservation or restoration in accordance with Washington Administrative Code chapter 463-72-080. The depreciable assets associated with this operations were buildings purchased and added on in 2020, these along with all other related assets are associated with maintenance costs or replacement of a component and do not fall under GASB guidance for an ARO. There is no formal written plan on decommissioning of this asset and the City plans on continuing its operation in perpetuity and the remaining life of its operations are not able to be estimated there for the City has not recognized an obligation for the costs that would be incurred in the event the City of Spokane would cease its operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.
- **Power Regeneration Waste to Energy Plant-** Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-303-610 and site preservation or restoration in accordance with Washington Administrative Code chapter 463-72-080. All other assets related assets are associated with maintenance costs or replacement of a component and do not fall under GASB guidance for an ARO. There is no formal written plan on decommissioning of this asset and the City plans on continuing its operation of turning waste into energy in perpetuity and the remaining life of its operations are not able to be estimated there for the City has not recognized an obligation for the costs that would be incurred in the event the City of Spokane would cease its operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.
- **Water Wells-** Disposal of these assets must be accomplished in accordance with Washington Administrative Code Chapter 173-160-381. Several Wells have been acquired by the City of Spokane and have no remaining depreciable life and all assets associated with them

associated with maintenance costs, replacement of a component, or Land (non-depreciable) and do not fall under GASB guidance for an ARO, therefore, the City has not recognized an obligation for the costs that would be incurred in the event the City of Spokane would cease use of its well operations as it is a remote event and the operations are indefinite into the future making exact estimable remaining life undeterminable for liability calculation.

- **Radioactive Equipment-** The City has seven Troxler 3450 gauges that are used to test asphalt, soils, etc. All but one of these devices have been fully depreciated and one has a remaining life of 1 year. These devices are required by the State of Washington Department of Transportation WSDOT to test to their specifications. Upon disposal or retirement the City has options of returning the devices to the manufacturer for credit towards the purchase of a new device or to dispose of the device through auction. The costs of disposal are determined to be immaterial and there for the City has not recognized an obligation or liability associated with retirement.
- **Cell Towers-** The City of Spokane has several cell tower leases that the City is the lessor. All agreements state the lessee is responsible for restoring the leased site to the "condition as the same were at the beginning of the applicable lease, except for reasonable use, wear and tear and casualty and condemnation, therefore the City has not recognized an obligation for the costs to retire the assets.

Note 18

Subscription-Based IT Arrangements

On January 1, 2023, the City entered into a 84 month subscription for the use of Axon Taser 7 software. An initial subscription liability was recorded in the amount of $6,730,371. As of December 31, 2025, the value of the subscription liability was $3,611,092. The City is required to make annual principal and interest payments of $965,070. The subscription has an interest rate of 2.724%. The subscription's estimated useful life is 84 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $6,730,371 with accumulated amortization of $2,884,445 is included with the right-to-use subscriptions in Note 4.

On January 1, 2023, the City entered into a 49 month subscription for the use of NeoGov Insight software. An initial subscription liability was recorded in the amount of $550,699. As of December 31, 2025, the value of the subscription liability was $155,035. The City is required to make annual principal and interest payments of $112,585. The subscription has an interest rate of 2.676%. The subscription's estimated useful life is 49 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $574,199 with accumulated amortization of $418,727 is included with the right-to-use subscriptions in Note 4.

On January 1, 2024, the City entered into a 36 month subscription for the use of ArcGIS software. An initial subscription liability was recorded in the amount of $493,123. As of December 31, 2025, the value of the subscription liability was $168,965. The City is required to make annual principal and interest payments of $167,000. The subscription has an interest rate of 3.631%. The subscription's estimated useful life is 36 months as of contract commencement. As of December 31, 2025, the value of the right-to-use asset of $493,123 with accumulated amortization of $328,749 is included with the right-to-use subscriptions in Note 4.

The annual debt service requirements to maturity for outstanding subscription-based IT arrangements are as follows:

Governmental Activities			
Year	**Principal**	**Interest**	**Total**
2026	1,190,717	108,638	1,299,355
2027	890,323	74,748	965,071
2028	914,572	50,498	965,070
2029	939,481	25,588	965,069
Total	$ 3,935,093	$ 259,472	$ 4,194,565

Note 19
Termination Benefits

The City has a Salary Savings Plan provision with 4 collective bargaining units:

- International Association of Firefighters Local 29 Spokane Area Fire Fighters (SAFO)
- International Association of Firefighters Local 29 AFL-CIO
- Spokane Police Lieutenants and Captains Association
- Spokane Police Guild

The Salary Savings Plan provision is separate from other retirement and post-employment benefits offered to retirees.

Eligibility and payment terms are:

Bargaining Unit	Eligibility	Monthly Payment	Duration
SAFO	LEOFF I - 20 years of service and eligible for retirement	$300	5 years (60 months)
	LEOFF II and Dispatch- 20 years of service and eligible for retirement	$500	8 years (96 months)
Local 29 AFL-CIO	LEOFF II - 20 years of service and eligible for retirement	$500	8 years (96 months)
Spokane Police Lieutenants and Captains Association	20 years of service	$500	8 years (96 months)
Spokane Police Guild	LEOFF I - minimum age of 53 and age plus years of service equal to at least 78	$300	5 years (60 months)
	LEOFF II - minimum age of 53 and age plus years of service equal to 78	$500	8 years (96 months)

Each of the contracts includes limits and deadlines:

Bargaining Unit	Number Eligible	Application Deadline	Retirement Deadline
SAFO	1 per year exclusive to SAFO members	January 1 to January 31 of the retirement year	Last day of the last pay period of the retirement year
Local 29 AFL-CIO	10 per year, including the 1 allowed for SAFO members. If no SAFO member applies, the incentive will be open to Local 29 AFL-CIO applicants	January 1 to October 15 of the retirement year	Last day of the last pay period of the retirement year
Spokane Police Lieutenants and Captains Association	2 per year	October 1 to October 31of the year prior to the retirement year	January 1 to June 30 of the retirement year
Spokane Police Guild	10 per year	December 31 of the year prior to the retirement year	January 1 to June 30 of the retirement year

The incentive is awarded to applicants based on seniority for each of the bargaining units. Monthly payments to SAFO and Local 29 AFL-CIO retirees is paid into a voluntary employees' beneficiary association (VEBA) plan. Monthly payments to Spokane Police Lieutenants and Captains Association and Spokane Police Guild retirees is paid into a health reimbursement arrangement (HRA) account. Payments are not subject to cost of living adjustments or income taxes.

Applicants of all four bargaining units must be eligible for service retirement in order to receive the incentive payments. Employees receiving disability payments other than a lump sum settlement are disqualified from the incentive. If at any time during the incentive payment term a recipient begins receiving disability payments (other than lump sum payments for SAFO and Local 29 AFL-CIO), incentive payments will cease. If a member of the Spokane Police Lieutenants and Captains Association or the Spokane Police Guild have applied and been approved for the City's Voluntary Retirement Incentive Program (VRIP), they will be disqualified for the incentive. If an employee applies for the incentive but does not retire by the established deadline, the employee will not be eligible for the incentive in that year or any future year. If an employee is approved for the benefit but does not retire, the next eligible applicant will receive the incentive that year.

The City has the right to discontinue the plan for each bargaining unit on January 1 of any year, with one year advance notice to the bargaining unit. The City also has the right to reinstate the plan on January 1 of any year. The plans for all of the bargaining units were in discontinued status at the start of 2024.

As of January 1, 2024, 33 retirees from the SAFO and Local 29 AFL-CIO bargaining units and 2 retirees from the Spokane Police Guild were receiving benefits that started during the years 2017 through 2020.

The City elected to offer the incentive to eligible members of the Spokane Police Lieutenants and Captains Association and the Spokane Police Guild during 2024. Under a one-time memorandum of understanding, the City agreed to make available a total of 25 Salary Savings Plans for 2024 retirements, with 20 allotted to the Spokane Police Guild and 5 allotted to the Spokane Police Lieutenants and Captains Association. Should fewer than 20 Police Guild members or fewer than 5 Lieutenants and Captains members apply for the respective retirement incentives, the City may offer the remaining incentives to members of the other bargaining unit.

Eligibility requirements for this one-time incentive are:

Incentive Phase	Minimum Age	Age + Years of Service	Monthly Payment	Duration	Deadline to Apply	Deadline to Retire
First Incentive	50	At least 70	$1,000	8 years (96 months)	August 1, 2024	September 1, 2024
Second incentive	50	At least 70	$800	8 years (96 months)	September 30, 2024	December 1, 2024

All other terms of the plans remain as expressed in the associated collective bargaining agreements.

As of December 31, 2024, 19 eligible members retired under the first incentive phase and an additional 2 eligible members retired under the second incentive phase.

The annual payment requirements for the termination benefits as of December 31, 2025 are as follows:

Year	Payments by Year
2026	430,700
2027	385,700
2028	292,200
2029	247,200
2030	247,200
2031-2032	396,200
Total	$ 1,999,200

Required Supplementary Information

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund Accounts
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues				
Taxes	$ 232,755,753	$ 232,755,753	$ 226,623,975	$ (6,131,778)
Licenses and permits	8,911,469	8,911,469	8,712,170	(199,299)
Intergovernmental	5,782,209	6,338,122	5,950,425	(387,697)
Charges for services	31,601,557	33,334,129	28,698,270	(4,635,859)
Fines and forfeitures	1,614,550	1,614,550	1,696,083	81,533
Miscellaneous	6,308,596	6,308,596	5,832,761	(475,835)
Net inc(dec) in market value of investments	-	-	731,004	731,004
Total revenues	286,974,134	289,262,619	278,244,688	(11,017,931)
EXPENDITURES				
General government	34,380,371	34,886,527	33,473,753	1,412,774
Public safety	192,640,248	195,334,911	192,469,720	2,865,191
Transportation	9,199,054	9,286,445	9,209,865	76,580
Economic environment	10,621,998	10,886,311	9,163,822	1,722,489
Social services	2,945,530	3,347,230	1,412,273	1,934,957
Culture and recreation	13,719,937	13,727,947	13,606,632	121,315
Capital outlays	1,795,000	2,574,796	1,895,292	679,504
Principal	-	-	316,010	(316,010)
Interest	2,600	2,600	60,416	(57,816)
Total expenditures	265,304,738	270,046,767	261,607,783	8,438,984
Excess (deficiency) of revenues over expenditures	21,669,396	19,215,852	16,636,905	(2,578,947)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	20,000	20,000	6,617	(13,383)
Lease proceeds (as lessee)	-	-	74,183	74,183
Transfers in	75,053,318	77,807,706	12,999,429	(64,808,277)
Transfers out	(95,718,783)	(97,782,167)	(35,039,624)	62,742,543
Total other financing sources (uses)	(20,645,465)	(19,954,461)	(21,959,395)	(2,004,934)
Net change in fund balance	1,023,931	(738,609)	(5,322,490)	(4,583,881)
Fund balance - beginning	39,959,852	(21,872,204)	38,999,178	60,871,382
Restatement	-	-	3,614,765	3,614,765
Fund balance - ending	$ 40,983,783	$ (22,610,813)	$ 37,291,453	$ 59,902,266

City of Spokane, Washington
American Recovery Plan
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 8,634,357	$ 8,634,357
Miscellaneous	-	-	16,934	16,934
Total revenues	-	-	8,651,291	8,651,291
EXPENDITURES				
General government	-	1,225,189	889,663	335,526
Public safety	-	150,000	5,646	144,354
Economic environment	-	12,132,877	6,802,066	5,330,811
Social services	-	16,150	16,150	-
Capital outlays	-	1,037,869	994,564	43,305
Total expenditures	-	14,562,085	8,708,089	5,853,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(14,562,085)	(56,798)	14,505,287
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(32,449)	(32,449)	-
Total other financing sources (uses)	-	(32,449)	(32,449)	-
Net change in fund balance*	-	(14,594,534)	(89,247)	14,505,287
Fund balance - beginning	38,242,340	(140,760,315)	298,598	141,058,913
Restatement	-	-		-
Fund balance - ending	$ 38,242,340	$ (155,354,849)	$ 209,351	$ 155,564,200

*The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

Schedule of City's Proportionate Share of the SERS Net Pension Liability

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
City's proportion of the net pension liability (asset)	99.17%	99.08%	98.98%	98.88%	98.71%
City's proportionate share of the net pension liability (asset)	$242,745,760	$245,030,156	$253,707,356	$153,594,642	$174,450,462
Total	$242,745,760	$245,030,156	$253,707,356	$153,594,642	$174,450,462
City's covered payroll	$144,222,169	$139,760,331	$126,830,000	$116,866,751	$112,984,469
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.31%	175.32%	200.04%	131.43%	154.40%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	60.01%	58.05%	54.85%	70.70%	65.82%

	2019	**2018**	**2017**	**2016**	**2015**
City's proportion of the net pension liability (asset)	99.35%	99.75%	99.77%	99.76%	99.75%
City's proportionate share of the net pension liability (asset)	$178,286,617	$197,868,737	$149,132,046	$245,801,868	$239,121,096
Total	$178,286,617	$197,868,737	$149,132,046	$245,801,868	$239,121,096
City's covered payroll	$111,746,539	$107,017,146	$102,844,614	$102,378,550	$ 93,899,096
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	159.55%	184.89%	145.01%	240.09%	254.66%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	63.95%	58.50%	67.42%	53.01%	53.24%

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

Legislative and administrative changes. Effective January 1, 2015, the following changes were enacted for all employees hired on or after January 1, 2015. 1) Early retirement is permitted at any time after attaining age 50 with the sum of age plus years of eligible service greater than or equal to 80, 2) Final compensation is defined as the highest average annual compensation received during any three consecutive years, 3) Normal retirement date is defined as the first day of the month coinciding with or next following the attainment of age 65 and completion of 7 years of eligible service, and 4) Benefit eligibility at termination requires at least 7 years of eligible service. The System added a new benefit tier for employees hired on or after January 1, 2018. The details of the tier are included in the "Benefits Provided" of Note 1 to the Financial Statements.

Effective December 24, 2023, the annual Contribution Rate was changed to 22.00% of payroll (11.00% of pay paid by the Employee, 11.00% of pay paid by the Employer). Previously the Contribution Rate was 20.50% of payroll (10.25% of pay paid by the Employee, 10.25% of pay paid by the Employer) from December 26, 2021, 20.00% of payroll (10.00% of pay paid by the Employee, 10.00% of pay paid by the Employer) from December 27, 2020, 19.50% of payroll (9.75% of pay paid by the Employee, 9.75% of pay paid by the Employer) from December 15, 2019, 18.50% of payroll (9.25% of pay paid by the employee, 9.25% of pay paid by the employer) from December 16, 2018, 18.00% of payroll (9.00% of pay paid by the employee, 9.00% paid by employer from December 17, 2017 to December 16, 2018, and 16.5% of payroll (8.25% of pay paid by the Employee, 8.25% of pay paid by the Employer) since September 1, 2014.

Schedule of Changes in Net Pension Liability and Related Ratios Firefighters' Pension

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	296,461	356,924	238,783	318,864	390,535
Changes of benefit terms	934,500	-	2,512,669	-	-
Differences between expected and actual experience	(1,436,566)	(1,748,581)	885,098	(2,151,893)	(2,156,517)
Changes of assumptions	-	-	1,208,383	-	-
Benefit payments, including refunds of member contributions	(578,598)	(668,336)	(1,141,977)	(535,187)	(709,617)
Net change in total pension liability	(784,203)	(2,059,993)	3,702,956	(2,368,216)	(2,475,599)
Total pension liability—beginning	10,169,178	12,229,171	8,526,215	10,894,431	13,370,030
Total pension liability—ending (a)	$ 9,384,975	$ 10,169,178	$ 12,229,171	$ 8,526,215	$ 10,894,431
Plan fiduciary net position					
Contributions—employer	$ 1,750,231	$ 1,202,473	$ 1,058,852	$ 1,479,700	$ 538,208
Contributions—member	-	-	-	-	-
Contributions—other	430,545	-	-	-	-
Net investment income	200,303	1,217,586	(1,970,084)	(261,004)	1,986,725
Benefit payments, including refunds of member contributions	(578,598)	(668,336)	(1,141,977)	(535,187)	(709,617)
Administrative expense	(42,519)	(43,291)	(39,471)	(40,357)	(40,144)
Other	(1,862,314)	(17,313,785)	-	-	-
Net change in plan fiduciary net position	(102,352)	(15,605,353)	(2,092,680)	643,152	1,775,172
Plan fiduciary net position—beginning	6,604,530	22,209,883	24,302,563	23,659,411	21,884,239
Plan fiduciary net position—ending (b)	$ 6,502,178	$ 6,604,530	$ 22,209,883	$ 24,302,563	$ 23,659,411
Plan's net pension liability—ending (a) – (b)	$ 2,882,797	$ 3,564,648	$ (9,980,712)	$ (15,776,348)	$ (12,764,980)
Plan fiduciary net position as a percentage of the total pension liability	69.28%	64.95%	181.61%	285.03%	217.17%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2019	**2018**	**2017**	**2016**	**2015**
Total pension liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	440,951	520,242	684,842	815,109	831,429
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,330,615)	(2,268,594)	(1,114,154)	(2,959,170)	-
Changes of assumptions	-	-	1,637,202	-	-
Benefit payments, including refunds of member contributions	(870,909)	(918,100)	(1,053,418)	(1,170,685)	(1,306,840)
Net change in total pension liability	(1,760,573)	(2,666,452)	154,472	(3,314,746)	(475,411)
Total pension liability—beginning	15,130,603	17,797,055	17,642,583	20,957,329	21,432,740
Total pension liability—ending (a)	$ 13,370,030	$ 15,130,603	$ 17,797,055	$ 17,642,583	$ 20,957,329
Plan fiduciary net position					
Contributions—employer	$ 1,661,882	$ 2,855,495	$ 2,208,498	$ 2,152,769	$ 2,345,156
Contributions—member	-	-	-	-	-
Net investment income	1,181,056	308,539	351,460	252,368	116,370
Benefit payments, including refunds of member contributions	(870,909)	(918,100)	(1,053,418)	(1,170,685)	(1,306,840)
Administrative expense	(45,527)	(28,424)	(29,362)	(15,482)	(30,577)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,926,502	2,217,510	1,477,178	1,218,970	1,124,109
Plan fiduciary net position—beginning	19,957,737	17,740,227	16,263,049	15,044,079	13,919,970
Plan fiduciary net position—ending (b)	$ 21,884,239	$ 19,957,737	$ 17,740,227	$ 16,263,049	$ 15,044,079
Plan's net pension liability—ending (a) – (b)	$ (8,514,209)	$ (4,827,134)	$ 56,828	$ 1,379,534	$ 5,913,250
Plan fiduciary net position as a percentage of the total pension liability	163.68%	131.90%	99.68%	92.18%	71.78%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

Schedule of Changes in Net Pension Liability Related Ratios Police Pension

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	109,157	141,211	119,355	37,901	74,812
Changes of benefit terms	-	-	-	2,303,551	-
Differences between expected and actual experience	387,502	(767,616)	1,048,454	1,344,110	(518,204)
Changes of assumptions	-	-	48,426	-	-
Benefit payments, including refunds of member contributions	(454,345)	(429,947)	(544,626)	(1,389,941)	(192,854)
Net change in total pension liability	42,314	(1,056,352)	671,609	2,295,621	(636,246)
Total pension liability—beginning	3,864,071	4,920,423	4,248,814	1,953,193	2,589,439
Total pension liability—ending (a)	$ 3,906,385	$ 3,864,071	$ 4,920,423	$ 4,248,814	$ 1,953,193
Plan fiduciary net position					
Contributions—employer	$ 451,405	$ 382,734	$ 708,099	$ 588,451	$ 446,243
Contributions—member	-	-	-	-	-
Net investment income	4,772	5,021	702	32	1,723
Benefit payments, including refunds of member contributions	(454,345)	(429,947)	(544,626)	(1,389,941)	(192,854)
Administrative expense	(40,168)	(38,920)	(36,840)	(37,932)	(37,167)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(38,336)	(81,112)	127,335	(839,390)	217,945
Plan fiduciary net position—beginning	924,584	1,005,696	878,361	1,717,751	1,499,806
Plan fiduciary net position—ending (b)	$ 886,248	$ 924,584	$ 1,005,696	$ 878,361	$ 1,717,751
Plan's net pension liability—ending (a) – (b)	$ 3,020,137	$ 2,939,487	$ 3,914,727	$ 3,370,453	$ 235,442
Plan fiduciary net position as a percentage of the total pension liability	22.69%	23.93%	20.44%	20.67%	87.95%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	Measurement Period Ended December 31				
	2019	**2018**	**2017**	**2016**	**2015**
Total pension liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	114,653	176,118	222,541	276,832	288,058
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,226,427)	(1,936,001)	(1,349,629)	(1,525,979)	-
Changes of assumptions	-	-	-		-
Benefit payments, including refunds of member contributions	(239,323)	(337,880)	(501,605)	(618,629)	(705,257)
Net change in total pension liability	(1,351,097)	(2,097,763)	(1,628,693)	(1,867,776)	(417,199)
Total pension liability—beginning	3,940,536	6,038,299	7,666,992	9,534,768	9,951,967
Total pension liability—ending (a)	$ 2,589,439	$ 3,940,536	$ 6,038,299	$ 7,666,992	$ 9,534,768
Plan fiduciary net position					
Contributions—employer	$ 729,515	$ 514,369	$ 667,111	$ 784,373	$ 734,966
Contributions—member	-	-	-	-	-
Net investment income	1,996	345	104	-	-
Benefit payments, including refunds of member contributions	(239,323)	(337,880)	(501,605)	(618,629)	(705,257)
Administrative expense	(42,081)	(26,566)	(29,531)	(17,458)	(27,666)
Other	-	-	-	-	
Net change in plan fiduciary net position	450,107	150,268	136,079	148,286	2,043
Plan fiduciary net position—beginning	1,049,699	899,431	763,352	615,066	613,023
Plan fiduciary net position—ending (b)	$ 1,499,806	$ 1,049,699	$ 899,431	$ 763,352	$ 615,066
Plan's net pension liability—ending (a) – (b)	$ 1,089,633	$ 2,890,837	$ 5,138,868	$ 6,903,640	$ 8,919,702
Plan fiduciary net position as a percentage of the total pension liability	57.92%	26.64%	14.90%	9.96%	6.45%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

Schedule of City's Proportionate Share of the Net Pension Liability (Asset) as of 6/30/2025
LEOFF 1 (in thousands)

	2025	2024	2023	2022	2021
City's proportion of the net pension liability (asset)	0.8950%	0.9091%	0.9129%	0.9134%	0.9289%
City's proportionate share of the net pension liability (asset) (in thousands)	$ (28,358)	$ (25,854)	$ (27,094)	$ (26,203)	$ (31,820)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (191,810)	$ (174,878)	$ (183,261)	$ (177,236)	$ (215,230)
Total	$ (220,167)	$ (200,732)	$ (210,355)	$ (203,439)	$ (247,050)
City's covered payroll (in thousands)	$ -	$ -	$ -	$ -	$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	178.02%	168.48%	175.99%	169.62%	187.45%

	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.9423%	0.9457%	0.9470%	0.9544%	0.9642%
City's proportionate share of the net pension liability (asset) (in thousands)	$ (17,795)	$ (18,692)	$ (17,192)	$ (14,481)	$ (9,935)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (120,365)	$ (126,432)	$ (116,288)	$ (97,946)	$ (67,197)
Total	$ (138,160)	$ (145,125)	$ (133,481)	$ (112,426)	$ (77,132)
City's covered payroll (in thousands)	$ -	$ -	$ -	$ -	$ -
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	146.88%	148.78%	144.42%	135.96%	123.74%

Schedule of City's Proportionate Share of the Net Pension Liability (Asset) as of 6/30/2025
LEOFF 2 (in thousands)

	LEOFF 2				
	2025	**2024**	**2023**	**2022**	**2021**
City's proportion of the net pension liability (asset)	1.9407%	2.0975%	2.2934%	2.2393%	2.2337%
City's proportionate share of the net pension liability (asset) (in thousands)	$ (37,601)	$ (39,280)	$ (55,010)	$ (60,857)	$ (129,740)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (24,133)	$ (25,491)	$ (35,129)	$ (39,422)	$ (83,697)
Total	$ (61,734)	$ (64,771)	$ (90,139)	$ (100,279)	$ (213,437)
City's covered payroll (in thousands)	$ 61,845	$ 61,065	$ 60,863	$ 54,313	$ 51,701
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-60.80%	-64.32%	-90.38%	-112.05%	-250.94%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	108.79%	109.27%	113.17%	116.09%	142.00%

	2020	**2019**	**2018**	**2017**	**2016**
City's proportion of the net pension liability (asset)	1.7228%	2.0243%	2.0463%	2.0211%	2.0361%
City's proportionate share of the net pension liability (asset) (in thousands)	$ (35,144)	$ (46,896)	$ (41,545)	$ (28,046)	$ (11,842)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (22,472)	$ (30,711)	$ (26,900)	$ (18,193)	$ (7,720)
Total	$ (57,615)	$ (77,607)	$ (68,445)	$ (46,239)	$ (19,563)
City's covered payroll (in thousands)	$ 38,550	$ 43,536	$ 40,704	$ 38,050	$ 36,731
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-91.16%	-107.72%	-102.07%	-73.71%	-32.24%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	115.83%	119.43%	118.50%	113.36%	106.04%

Schedule of Employer Contributions
SERS as of 12/31/2025

City's Proportionate Share	2025	2024	2023	2022	2021
Contractually required contributions	$ 14,965,121	$ 14,360,715	$ 15,410,726	$ 11,700,545	$ 12,457,475
Contributions in relation to the ADC	16,102,443	15,870,598	13,446,610	11,863,726	11,519,708
Contribution deficiency (excess)	$ (1,137,322)	$ (1,509,883)	$ 1,964,116	$ (163,181)	$ 937,767
Covered payroll	146,385,845	144,278,164	131,186,439	115,743,668	115,197,080
Contributions as a percentage of covered payroll	11.00%	11.00%	10.25%	10.25%	10.00%

City's Proportionate Share	2020	2019	2018	2017	2016
Contractually required contributions	$ 11,527,854	$ 11,078,489	$ 10,044,342	$ 9,765,949	$ 9,853,762
Contributions in relation to the ADC	10,659,281	9,824,717	9,187,420	8,113,319	7,586,362
Contribution deficiency (excess)	$ 868,573	$ 1,253,772	$ 856,922	$ 1,652,630	$ 2,267,400
Covered payroll	109,325,959	106,213,157	102,082,444	98,343,261	91,955,903
Contributions as a percentage of covered payroll	9.75%	9.25%	9.00%	8.25%	8.25%

Notes to Schedule

Valuation date: December 31, 2025

Actuarially determined contribution rates are calculated as of December 31, of the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine the contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	In accordance with the following table based on service:

Years of Service	Annual Increase
<1	10.0%
1	9.0%
2	8.0%
3	7.0%
4	6.0%
5	5.0%
6	4.0%
7-11	3.5%
12-18	3.0%
19+	2.5%

There is a 4.0% minimum salary increase assumption for the 2026 year.

Investment rate of return	7.5%, net of pension plan investment expense
Retirement age	In accordance with the following table based on age:

Age	Retirement Probability
<50	0.0%
50	10.0%
51-53	4.0%

54-59	5.0%
60	10.0%
61	15.0%
62	20.0%
63	15.0%
64	20.0%
65-66	25.0%
67	40.0%
68	25.0%
69	33.0%
70	45.0%
71	25.0%
72	45.0%
73	30.0%
74	15.0%
75+	100.0%

Schedule of Employer Contributions
Firefighters' Pension as of 12/31/2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 289,612	$ 335,183	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	7,203	1,750,231	1,202,473	1,058,852	1,479,700
Contribution deficiency (excess)	$ 282,409	$ (1,415,048)	$ (1,202,473)	$ (1,058,852)	$ (1,479,700)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ 3,819	$ 98,333	$ 519,891
Contributions in relation to the actuarially determined contribution	538,208	1,661,882	2,885,495	2,208,498	2,152,769
Contribution deficiency (excess)	$ (538,208)	$ (1,661,882)	$ (2,881,676)	$ (2,110,165)	$ (1,632,878)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Years 2015-2023 were restated in 2024. Prior year actuarial reports presented contributions net of expenses.

Notes to Schedule

Valuation date:	December 31, 2025
Actuarial cost method	Entry age normal
Amortization method	30-year, closed as of January 1, 2007
Remaining amortization period	11 years
Asset valuation method	Fair Market Value
Investment Rate of Return	3.0%
Projected Salary Increases	N/A
Inflation	2.5%
Cost-of-Living Adjustments	Based on 3.5% increase assumption when appropriate, for FPF benefits. Based upon inflation assumption for some FPF benefits and all LEOFF benefits.
Service Retirement	None assumed since there are no longer any active participants.
Disability Rates	None assumed since there are no longer any active participants.

Mortality Table – Service Retirees	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Mortality Table – Disabled Retirees	Pub-2010 Table for General Disabled Employees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Mortality Table – Spouses	Pub-2010 Table for General Contingent Survivors with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Other Terminations of Employment	None
Family Composition	Marital status of retirees has been supplied by the City. Wives are assumed to be three years younger than their husbands. Surviving spouses are assumed not to remarry.
Vesting	Terminating members may forfeit a vested right to a deferred benefit if they withdraw their accumulated contributions. For the purposes of the valuation, it is assumed that no such forfeitures will occur.

Schedule of Employer Contributions
Police Pension as of 12/31/2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 303,409	$ 276,398	$ 327,923	$ 268,324	$ 17,883
Contributions in relation to the actuarially determined contribution	663,307	451,405	382,734	708,099	588,451
Contribution deficiency (excess)	$ (359,898)	$ (175,007)	$ (54,811)	$ (439,775)	$ (570,568)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 79,226	$ 201,820	$ 345,413	$ 447,851	$ 585,998
Contributions in relation to the actuarially determined contribution	446,243	729,515	514,369	667,111	784,373
Contribution deficiency (excess)	$ (367,017)	$ (527,695)	$ (168,956)	$ (219,260)	$ (198,375)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Years 2015-2023 were restated in 2024. Prior year actuarial reports presented contributions net of expenses.

Notes to Schedule

Valuation date:	December 31, 2025
Actuarial cost method	Entry age normal
Amortization method	30-year, closed as of January 1, 2007
Remaining amortization period	11 years
Asset valuation method	Fair Market Value
Records and Data	Census data as well as financial information used for this valuation was received from the City and reviewed for reasonableness only. We have not performed a formal audit of the data used for this valuation.
Investment Rate of Return	3.0%
Projected Salary Increases	N/A
Inflation	2.5%
Cost-of-Living Adjustments	Based on 3.5% increase assumption when appropriate, for PPF benefits. Based upon inflation assumption for some PPF benefits and all LEOFF benefits.

Service Retirement	None assumed since there are no longer any active participants.
Disability Rates	None assumed since there are no longer any active participants.
Mortality Table – Service Retirees	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Mortality Table – Disabled Retirees	Pub-2010 Table for General Disabled Employees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Mortality Table – Spouses	Pub-2010 Table for General Contingent Survivors with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Other Terminations of Employment	None
Family Composition	Marital status of retirees has been supplied by the City. Wives are assumed to be three years younger than their husbands. Surviving spouses are assumed not to remarry.
Vesting	Terminating members may forfeit a vested right to a deferred benefit if they withdraw their accumulated contributions. For the purposes of the valuation, it is assumed that no such forfeitures will occur.

Schedule of Employer Contributions
LEOFF 2 as of 12/31/2025

City's Proportionate Share (in thousands)	2025	2024	2023	2022	2021
Contractually required contributions	$ 5,275	$ 5,209	$ 5,192	$ 4,633	$ 4,441
Actuarially Determined contribution (ADC)	6,172	6,088	5,666	4,171	4,441
Contributions in relation to the ADC	5,296	5,202	5,191	4,659	4,459
Contribution deficiency (excess)	$ 876	$ 887	$ 475	$ (488)	$ (18)
[1]Covered payroll	61,845	61,065	60,863	54,313	51,701
Contributions as a percentage of covered payroll	8.56%	8.52%	8.53%	8.58%	8.62%

[1] City's Proportionate Share of Covered Payoll provided by the state

City's Proportionate Share (in thousands)	2020	2019	2018	2017	2016
Contractually required contributions	$ 3,311	$ 3,809	$ 3,562	$ 3,200	$ -
Actuarially Determined contribution (ADC)	3,311	3,452	3,207	3,033	3,089
Contributions in relation to the ADC	3,344	3,823	3,572	3,195	3,103
Contribution deficiency (excess)	$ (32)	$ (370)	$ (365)	$ (162)	$ (14)
Covered payroll	38,550	43,536	40,704	38,049	36,731
Contributions as a percentage of covered payroll	8.67%	8.78%	8.78%	8.40%	8.45%

Schedule of Investment Returns as of 12/31/2025

Spokane Employee Retirement System (SERS)

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	13.57%	10.00%	14.10%	-13.50%	13.67%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	11.50%	18.40%	-6.30%	15.40%	6.71%

Fire

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.30%	3.02%	5.66%	-8.30%	-1.06%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.33%	5.99%	1.71%	2.17%	1.90%

Police

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.35%	5.24%	5.34%	1.79%	0.01%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	0.18%	2.14%	2.07%	0.90%	0.00%

Other Postemployment Benefits

Schedule of Changes in the City's Firefighters' Retirement Net OPEB Liability and Related Ratios

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Total Firefighters' OPEB liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	1,131,095	1,316,409	989,579	1,174,999	1,397,698
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	97,222	1,189,139	958,901	250,383	(2,419,020)
Changes of assumptions	1,038,881	2,132,733	(3,035,462)	1,549,723	(177,104)
Benefit payments, including refunds of member contributions	(3,267,686)	(3,332,362)	(3,547,274)	(3,658,318)	(4,085,924)
Net change in total opeb liability	(1,000,488)	1,305,919	(4,634,256)	(683,213)	(5,284,350)
Total opeb liability—beginning	39,337,010	38,031,091	42,665,347	43,348,560	48,632,910
Total opeb liability—ending (a)	$ 38,336,522	$ 39,337,010	$ 38,031,091	$ 42,665,347	$ 43,348,560
Plan fiduciary net position					
Contributions—employer	$ 1,857,483	$ 2,843,522	$ 2,582,161	$ 2,500,831	$ 2,804,989
Contributions—member	-	-	-	-	-
Net investment income	772,289	416,348	(834,050)	(147,590)	1,053,840
Benefit payments, including refunds of member contributions	(3,267,686)	(3,332,362)	(3,547,274)	(3,658,318)	(4,085,924)
Administrative expense	(211,795)	(214,740)	(228,258)	(230,714)	(243,536)
Other	1,862,314	17,313,785	-	-	-
Net change in plan fiduciary net position	1,012,605	17,026,553	(2,027,421)	(1,535,791)	(470,631)
Plan fiduciary net position—beginning	25,548,030	8,521,477	10,548,898	12,084,689	12,555,320
Plan fiduciary net position—ending (b)	$ 26,560,635	$ 25,548,030	$ 8,521,477	$ 10,548,898	$ 12,084,689
Plan's net opeb liability—ending (a) – (b)	$ 11,775,887	$ 13,788,980	$ 29,509,614	$ 32,116,449	$ 31,263,871
Plan fiduciary net position as a percentage of the total opeb liability	69.28%	64.95%	22.41%	24.72%	27.88%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Plan's net opeb liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This table will be built prospectively until it contains 10 years of data

	Measurement Period Ended December 31			
	2019	**2018**	**2017**	**2016**
Total Firefighters' OPEB liability				
Service cost	$ -	$ -	$ -	$ 4,364
Interest	1,449,183	1,445,054	1,659,545	1,721,361
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	511,480	2,112,772	5,303,077	(889,509)
Changes of assumptions	165,821	-	(10,984,642)	-
Benefit payments, including refunds of member contributions	(3,599,371)	(3,240,950)	(3,014,467)	(2,770,305)
Net change in total opeb liability	(1,472,887)	316,876	(7,036,487)	(1,934,089)
Total opeb liability—beginning	50,105,797	49,788,921	56,825,408	58,759,497
Total opeb liability—ending (a)	$ 48,632,910	$ 50,105,797	$ 49,788,921	$ 56,825,408
Plan fiduciary net position				
Contributions—employer	$ 2,695,985	$ 2,511,285	$ 2,880,818	$ 2,777,670
Contributions—member	-	-	-	-
Net investment income	704,582	207,254	279,438	221,113
Benefit payments, including refunds of member contributions	(3,599,371)	(3,240,950)	(3,014,467)	(2,770,305)
Administrative expense	(272,417)	(268,822)	(294,117)	(276,975)
Other	-	-	-	-
Net change in plan fiduciary net position	(471,221)	(791,233)	(148,328)	(48,497)
Plan fiduciary net position—beginning	13,026,541	13,817,774	13,966,102	14,014,599
Plan fiduciary net position—ending (b)	$ 12,555,320	$ 13,026,541	$ 13,817,774	$ 13,966,102
Plan's net opeb liability—ending (a) – (b)	$ 36,077,590	$ 37,079,256	$ 35,971,147	$ 42,859,306
Plan fiduciary net position as a percentage of the total opeb liability	25.82%	26.00%	27.75%	24.58%
Covered payroll	N/A	N/A	N/A	N/A
Plan's net opeb liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

This table will be built prospectively until it contains 10 years of data

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

Schedule of Changes in the City's Police Retirement Net OPEB Liability and Related Ratios

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Total Police OPEB liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	1,492,122	1,570,129	913,946	1,002,017	1,391,352
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,424,025)	196,058	(1,695,672)	(94,127)	(2,334,239)
Changes of assumptions	108,167	1,264,115	(7,716,068)	1,006,739	2,564,100
Benefit payments, including refunds of member contributions	(2,186,864)	(2,253,287)	(2,555,891)	(2,133,088)	(2,096,912)
Net change in total opeb liability	(2,010,600)	777,015	(11,053,685)	(218,459)	(475,699)
Total opeb liability—beginning	40,672,265	39,895,250	50,948,935	51,167,394	51,643,093
Total opeb liability—ending (a)	$ 38,661,665	$ 40,672,265	$ 39,895,250	$ 50,948,935	$ 51,167,394
Plan fiduciary net position					
Contributions—employer	$ 2,359,041	$ 2,436,119	$ 2,753,445	$ 2,330,329	$ 2,301,681
Contributions—member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(2,186,864)	(2,253,287)	(2,555,891)	(2,133,088)	(2,096,912)
Administrative expense	(172,177)	(182,832)	(197,554)	(197,241)	(204,769)
Other	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending (b)	$ -	$ -	$ -	$ -	$ -
Plan's net opeb liability—ending (a) – (b)	$ 38,661,665	$ 40,672,265	$ 39,895,250	$ 50,948,935	$ 51,167,394
Plan fiduciary net position as a percentage of the total opeb liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ -	$ -	$ -	$ -	$ -
Plan's net opeb liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

This table will be built prospectively until it contains 10 years of data

	Measurement Period Ended December 31			
	2019	**2019**	**2018**	**2017**
Total Police OPEB liability				
Service cost	$ -	$ -	$ 2,352	$ 5,875
Interest	1,804,042	1,595,089	1,939,973	1,999,833
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,035,511)	2,499,285	3,104,252	(3,649,221)
Changes of assumptions	4,005,879	(2,479,445)	(5,212,240)	(1,384,401)
Benefit payments, including refunds of member contributions	(2,478,236)	(2,695,330)	(2,274,588)	(2,473,394)
Net change in total opeb liability	2,296,174	(1,080,401)	(2,440,251)	(5,501,308)
Total opeb liability—beginning	49,346,919	50,427,320	52,867,571	58,368,879
Total opeb liability—ending (a)	$ 51,643,093	$ 49,346,919	$ 50,427,320	$ 52,867,571
Plan fiduciary net position				
Contributions—employer	$ 2,706,416	$ 2,917,954	$ 2,518,563	$ 2,703,355
Contributions—member	-	-	-	-
Net investment income	-	344	104	-
Benefit payments, including refunds of member contributions	(2,478,236)	(2,695,330)	(2,274,588)	(2,473,394)
Administrative expense	(228,180)	(222,968)	(244,079)	(229,961)
Other	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-
Plan fiduciary net position—ending (b)	$ -	$ -	$ -	$ -
Plan's net opeb liability—ending (a) – (b)	$ 51,643,093	$ 49,346,919	$ 50,427,320	$ 52,867,571
Plan fiduciary net position as a percentage of the total opeb liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ -	$ -	$ -	$ -
Plan's net opeb liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

This table will be built prospectively until it contains 10 years of data

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

Schedule of Changes in the City's Retiree Medical Plan 2 Total OPEB Liability and Related Ratios not held in trust as of Measurement Date 12/31/2024

	Measurement Period Ended December 31				
	2024	**2023**	**2022**	**2021**	**2020**
Total Retiree Medical Plan 2 OPEB liability					
Service cost	$ 536,966	$ 490,486	$ 741,210	$ 659,691	$ 625,753
Interest	387,915	360,689	192,065	191,304	278,020
Changes of benefit terms	-	(27,581)	-	-	-
Differences between expected and actual experience	281,201	(382,738)	(79,936)	215,239	(1,257,698)
Change in plan provisions	-	-	-	(127,901)	-
Changes of assumptions	36,391	1,242,690	(2,177,700)	731,021	128,235
Benefit payments, including refunds of member contributions	(392,456)	(413,283)	(352,281)	(329,597)	(376,192)
Net change in total opeb liability	850,017	1,270,263	(1,676,642)	1,339,757	(601,882)
Total opeb liability—beginning	10,003,668	8,733,405	10,410,047	9,070,290	9,672,172
Total opeb liability—ending	$ 10,853,685	$ 10,003,668	$ 8,733,405	$ 10,410,047	$ 9,070,290
Plan fiduciary net position as a percentage of the total opeb liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 145,817,854	$ 132,730,852	$ 127,147,629	$ 120,434,006	$ 109,025,841
Plan's total opeb liability as a percentage of covered-employee payroll	7.44%	7.54%	6.87%	8.64%	8.32%

	Measurement Period Ended December 31			
	2019	**2018**	**2017**	**2016**
Total Retiree Medical Plan 2 OPEB liability				
Service cost	$ 580,385	$ 715,217	$ 518,369	$ 512,615
Interest	345,763	336,643	301,836	275,198
Changes of benefit terms	-	-	1,306,207	-
Differences between expected and actual experience	(495,648)	(787,540)	(182,268)	(172,229)
Change in plan provisions	-	-	-	-
Changes of assumptions	714,537	(1,007,464)	446,102	(181,786)
Benefit payments, including refunds of member contributions	(225,670)	(294,117)	(261,542)	(245,206)
Net change in total opeb liability	919,367	(1,037,261)	2,128,704	188,592
Total opeb liability—beginning	8,752,805	9,790,066	7,661,362	7,472,770
Total opeb liability—ending	$ 9,672,172	$ 8,752,805	$ 9,790,066	$ 7,661,362
Plan fiduciary net position as a percentage of the total opeb liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 106,596,042	$ 108,873,263	$ 79,229,367	$ 78,014,109
Plan's total opeb liability as a percentage of covered-employee payroll	9.07%	8.04%	12.36%	9.82%

This table will be built prospectively until it contains 10 years of data

**The amount presented for each fiscal year were determined as of the end of the previous fiscal year.*

No assets are accumulated in a qualifying trust.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2026	4.50%
2025	4.25%

2024	3.75%
2023	4.00%
2022	1.75%
2021	2.00%
2020	2.75%
2019	3.75%
2018	3.25%
2017	3.75%

Other Postemployment Benefit
Schedule of Employer Contributions
Firefighters' Pension (in thousands) as of 12/31/2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 1,229	$ 1,351	$ 2,844	$ 2,582	$ 2,501
Contribution in Relation to the Actuarially Determined Contribution	1,658	1,857	2,844	2,582	2,501
Contribution Deficiency (Excess)	(428)	(506)	-	-	-
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,805	$ 2,696	$ 2,511	$ 2,881	$ 2,778
Contribution in Relation to the Actuarially Determined Contribution	2,805	2,696	2,511	2,881	2,778
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date: January 1, 2025

Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

Methods and assumptions used to determine the contribution

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	12 years
Asset valuation method	Market value of assets
Rate of inflation	2.50% per year
Salary increase	None assumed
Investment rate of return	3.00% per year for current valuation
Discount rate	3.00% per year for current valuation
Mortality table	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.

Other Postemployment Benefits
Schedule of Employer Contributions
Police Pension (in thousands) as of 12/31/2025

	2025	2024	2023	2022	2021
Actuarial determined contribution	$ 4,251	$ 4,072	$ 3,860	$ 3,840	$ 3,703
Contribution in Relation to the Actuarially Determined Contribution	2,394	2,359	2,436	2,753	2,330
Contribution Deficiency (Excess)	1,857	1,713	1,424	1,087	1,373
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

	2020	2019	2018	2017	2016
Actuarial determined contribution	$ 3,888	$ 3,864	$ 3,616	$ 3,763	$ 3,944
Contribution in Relation to the Actuarially Determined Contribution	2,302	2,706	2,918	2,518	2,703
Contribution Deficiency (Excess)	1,587	1,157	698	1,245	1,241
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date: January 1, 2025

Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

Methods and assumptions used to determine the contribution:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	12 years
Asset valuation method	Market value of assets
Rate of inflation	2.5% per year
Salary increase	None assumed
Investment rate of return	None assumed since no plan assets
Discount rate	3.00% per year for current valuation
Mortality table	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Retirement age	None since there are no longer any active participants

Schedule of Investment Returns for OPEB held in trust as of 12/31/2025

Fire OPEB

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.30%	3.02%	5.66%	-8.30%	-1.06%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.33%	5.99%	1.71%	2.17%	1.90%

Police OPEB

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.35%	5.24%	5.34%	1.79%	0.01%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	0.18%	2.14%	2.07%	0.90%	0.00%

Notes to the Required Supplementary Information

For the Fiscal Year Ended December 31, 2025

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for the three pension plans. These reports may be obtained by writing to the Spokane Employees' Retirement System, City Hall, 808 West Spokane Falls Blvd, Spokane, Washington, 99201 or by calling (509) 625-6330.

Schedules

Combining and Individual Fund Financial Statements

Nonmajor Governmental Funds

The Nonmajor Governmental Funds fall into one of the three categories as described below.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or for major capital projects) that are restricted or committed to expenditures for specified purposes.

Debt Service Funds

Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities.

Capital Projects Funds

Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of City facilities and road infrastructure.

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 17,082,219	$ 1,878,213	$ 3,969,003	$ 22,929,435
Deposits with fiscal agents/trustees	53,134	-	-	53,134
Equity in pooled investments	50,310,373	6,363,966	35,674,790	92,349,129
Taxes receivable	5,664,813	324,384	1,033,493	7,022,690
Special assessment receivable	-	122,195	-	122,195
Accounts receivable	12,396,040	-	79,855	12,475,895
Interest receivable	7,977	185	15,364	23,526
Due from other funds	4,224,150	-	6,836,937	11,061,087
Interfund loan receivable	857,006	136,666	1,429,185	2,422,857
Lease receivable	188,245	-	-	188,245
Lease interest receivable	460	-	-	460
Due from other governments	8,481,972	-	3,014,484	11,496,456
Advances to other funds	1,603,618	255,728	2,674,274	4,533,620
Inventories	1,082,147	-	-	1,082,147
Notes/contract receivable (non-current)	16,667,835	-	-	16,667,835
Total Assets	118,619,989	9,081,337	54,727,385	182,428,711
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts/vouchers payable	6,238,767	-	479,541	6,718,308
Due to other funds	6,389,362	59,342	8,699,858	15,148,562
Due to other governments	66,938	-	-	66,938
Interfund loan payable	8,981,725	-	-	8,981,725
Accrued payroll liabilities	762,947	-	-	762,947
Other current liabilities	680,257	633	339,648	1,020,538
Total Liabilities	23,119,996	59,975	9,519,047	32,699,018
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue Property Taxes	410,904	284,062	49,297	744,263
Unavailable Revenues Special Assessments	-	122,195	-	122,195
Unavailable Revenues Impact Fees	-	-	4,188,512	4,188,512
Unavailable Revenues Grants	9,595	-	-	9,595
Lease Related	183,838	-	-	183,838
Unavailable Revenues Opioid Settlement	7,876,666	-	-	7,876,666
Unavailable Revenues Other	232,386	-	35,261	267,647
Total Deferred Inflows of Resources	8,713,389	406,257	4,273,070	13,392,716
Fund Balance				
Nonspendable	1,082,147	-	-	1,082,147
Restricted - capital projects	4,692,131	-	39,377,075	44,069,206
Restricted - police & firefighters' pension	546,171	-	-	546,171
Restricted- public safety & crime reduction	1,290,591	-	-	1,290,591
Restricted - grants	21,628,784	-	-	21,628,784
Restricted - impact fees	-	-	1,558,193	1,558,193
Restricted - debt service	-	8,615,105	-	8,615,105
Restricted - Other	30,754,864	-	-	30,754,864
Committed	17,839,275	-	-	17,839,275
Assigned	9,080,977	-	-	9,080,977
Unassigned	(128,336)	-	-	(128,336)
Total Fund Balance	86,786,604	8,615,105	40,935,268	136,336,977
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 118,619,989	$ 9,081,337	$ 54,727,385	$ 182,428,711

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total
REVENUES				
Taxes	$ 47,959,305	$ 11,200,087	$ 10,172,419	$ 69,331,811
Licenses and permits	1,445,666	-	1,000	1,446,666
Intergovernmental	48,719,112	-	11,412,301	60,131,413
Charges for services	15,516,314	-	6,749,019	22,265,333
Fines and forfeitures	4,976,269	-	-	4,976,269
Miscellaneous	9,523,807	128,697	1,162,652	10,815,156
Net inc(dec) in market value of investments	380,286	69,117	657,822	1,107,225
Total Revenues	128,520,759	11,397,901	30,155,213	170,073,873
EXPENDITURES				
Current:				
General government	5,002,828	172	-	5,003,000
Public safety	22,083,333	-	-	22,083,333
Transportation	29,927,671	-	8,301,387	38,229,058
Economic environment	17,375,803	422,791	1,125,000	18,923,594
Social services	30,117,884	-	-	30,117,884
Culture and recreation	25,903,723	-	-	25,903,723
Capital outlays	4,497,851	-	16,149,226	20,647,077
Debt service:				
Principal	1,847,775	9,079,200	459,057	11,386,032
Interest	195,525	7,107,948	9,923	7,313,396
Total Expenditures	136,952,393	16,610,111	26,044,593	179,607,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,431,634)	(5,212,210)	4,110,620	(9,533,224)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	56,005	-	-	56,005
Lease proceeds (as lessee)	295,353	-	-	295,353
Transfers in	25,178,319	5,435,431	17,877,596	48,491,346
Transfers out	(14,706,595)	-	(15,469,122)	(30,175,717)
Total Other Financing Sources (Uses)	10,823,082	5,435,431	2,408,474	18,666,987
Net Change in Fund Balance	2,391,448	223,221	6,519,094	9,133,763
Fund Balance - beginning of year, as previously presented	84,395,782	8,433,424	34,716,082	127,545,288
Restatement	(626)	(41,540)	(299,908)	(342,074)
Fund Balance - beginning of year, as restated	84,395,156	8,391,884	34,416,174	127,203,214
Fund Balance - ending	$ 86,786,604	$ 8,615,105	$ 40,935,268	$ 136,336,977

Nonmajor
Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or for major capital projects) that are restricted or committed to expenditures for specified purposes. Nonmajor Special Revenue Funds are described below:

Street Fund
The Street Fund is responsible for the maintenance of all City streets and bridges. Also, construction activities for City streets are coordinated through this fund.

Pension Contributions Fund
The Pension Contributions Fund is used to account for amounts levied and dedicated for police and fire pensions pursuant to RCW 41.16.050 and RCW 41.20.130. These accumulated funds are remitted to the respective pension trust funds.

VOYA Defined Benefit Contributions Fund
The Pension Contributions Fund is used to account for amounts levied and dedicated for police and fire pensions pursuant to RCW 41.16.050 and RCW 41.20.130. These accumulated funds are remitted to the respective pension trust funds.

General Fund Grants Fund (formerly Miscellaneous Grants Fund)
The Miscellaneous Grants Fund accounts for all federal, state, and local grants, which should be accounted for outside the general fund, and for which no other fund exists.

Domestic Violence Protection Fund
The Domestic Violence Protection Fund is used to account for funds from the penalty assessments issued pursuant to RCW 10.99.080 as well as other available funds. The fund will be used consistent with the provisions of RCW 10.99.080 (2), which includes establishing and funding domestic violence advocacy and domestic violence prevention and prosecution programs.

Spokane Safe Streets for All Fund (formerly Traffic Calming Measures Fund)
The Traffic Calming Measures Fund accounts for amounts received from traffic safety camera infractions. The revenue from these violations is restricted for the purpose of traffic calming projects.

Historic Preservation Fund
The Historic Preservation Fund accounts for funds received by the city in payment for demolition permits. The funds will be disbursed on the recommendation of the city's historic preservation officer, and pursuant to an historic preservation incentive program

established by the historic landmarks commission and approved by the city council by ordinance.

Cannabis Fund
The Cannabis Fund accounts for funds received by the city pursuant to RCW 69.50.540. The funds will be appropriated for support of the Spokane Police Department and for drug abuse prevention, education, and general drug enforcement.

Park Fund
The Park and Recreation Department of the Park Fund provides for leisure time activities through Park facilities. The department is also responsible for the acquisition, development, and maintenance of all park and recreation facilities within the City. It also includes monies received to be used for capital expenditures of the Park Department, as well as the activity of urban forestry, which enhances the street trees and the urban forest; public education; and planting, maintenance, protection, inspection and removal of public trees.

Included within the Parks Fund is the urban forestry fund, which accounts for monies related to the enhancement of the street trees and urban forest, including planting, maintenance, protection, inspection, and removal of public trees based on the criteria established by the National Arbor Day Foundation in order to maintain Tree City, USA status.

The Cumulative Reserve Fund is also included, which is used to account for monies earmarked for specific purposes consistent with the objectives of the Parks Fund.

Parking Meter Revenue Fund
The Parking Meter Revenue Fund accounts for parking meter revenues to provide for maintenance of public streets and roadways within the City and to loan to the public development authority's ground lease account and its operating and maintenance account with respect to the River Park Square parking garage, as provided in Ordinance No. C-31823.

Housing Sales Tax Fund
The Housing Sales Tax Fund receives monies generated from the 0.1% sales and use tax for affordable housing and supportive services consistent with the provisions of SMC, Chapter 8.07C and RCW, Chapter 82.14.530.

Paths & Trails Reserve Fund
The Paths and Trails Reserve Fund receives monies from the Road and Street Fuel Tax in accordance with RCW, Chapter 47.30.

Spokane United 911 Network Fund (formerly Law Enforcement Information Systems Fund)
The Law Enforcement Information Systems Fund accounts for monies to be used for the operation of the City/County computer-aided dispatch, jail, and records management system.

Public Safety Personnel Fund
The Public Safety Personnel Fund accounts for funds received from the levying of property taxes for the purpose of hiring additional police and fire personnel and funding crime reduction programs pursuant to Resolutions 2018-0103 and 2019-0043.

Real Estate Rental Fund
The Real Estate Rental Fund accounts for monies received from and the maintenance of rental properties held for future infrastructure development.

Law Enforcement Block Grant Fund
The Local Law Enforcement Block Grant Fund accounts for federal and state block grant monies related to law enforcement.

Human Services Grants Fund
The Human Services Grants Fund is used to account for Federal, State, or local human services grant funds not accounted for in another fund.

Opioid Settlement Fund
The Opioid Settlement Fund is used to account funds received as part of the National Opioid Settlement.

Forfeitures and Contributions Fund
The Forfeitures and Contributions Fund accounts for revenue received from forfeitures of proceeds and instrumentalities of illegal drug activities, revenues from joint operations with other agencies, donations to particular programs and incidental sales of promotions items. Unobligated net proceeds shall be used exclusively for the expansion and improvement of controlled substances related law enforcement activity.

Hotel/Motel Lodging Tax Fund
The Hotel/Motel Tax Fund accounts for monies received from the Transient Accommodations Tax that is subsequently transferred to debt service and operating funds.

Affordable & Supportive Housing Fund
The Affordable & Supportive Housing Fund accounts for monies received from a local state-shared sale and use tax to fund affordable and supportive housing.

Emergency Rental Assistance Fund
The Emergency Rental Assistance Fund accounts for monies received from the US Department of Treasury Emergency Rental Assistance Program.

Public Safety and Judicial Grants Fund
The Public Safety and Judicial Grants Fund accounts for monies received from federal, state, and local grants related to public safety and law enforcement.

Combined Communications Center Fund
The Combined Communications Center fund accounts for revenues and expenditures for the fire service communications and dispatch centers operated by the City Fire Department pursuant to interlocal cooperation agreement between the City of Spokane and Fire Protection Districts 1,8, and 9 of Spokane County.

Communications Building Maintenance & Operations Fund
The Communications Building Maintenance and Operations Fund accounts for funds to be used for the administration, maintenance and operation of the City's communications building. This building is jointly used by the City of Spokane and Spokane County in accordance with an interlocal agreement.

Community Development Funds
The Community Development Fund (which includes the Community Development, the Housing and Homeless Services, and Community Development Block Grant Program funds) accounts for the execution of the Community Block Grant as specified by Title 1 of the Housing and Community Development Grant of 1974.

Miscellaneous Community Development Grants Fund
The Miscellaneous Community Development Grants Fund accounts for grant monies received that are not accounted for in another fund.

HOME Program Grant Fund
The HOME Program Grant Fund accounts for monies received from the U.S. Department of Housing and Urban Development HOME Grant program.

Housing Assistance Program Fund
The Housing Assistance Program Fund accounts for monies received from the State of Washington Department of Community Development to be used for the rehabilitation of low-income owner occupied homes.

Legal Services & Relocation Fund
The Rental Rehabilitation Fund accounts for 2 percent of all revenue collected pursuant to SMC 8.07C for calendar years 2023-2027. Thereafter, revenues will consist of 100 percent of proceeds from substandard housing enforcement actions.

Rental Rehabilitation Fund
The Rental Rehabilitation Fund accounts for all monies received by the City from HUD under the Rental Rehabilitation Grant Program.

Residential Rental Property Mitigation Fund
The Residential Rental Property Mitigation Fund accounts for 10% of fees from business registration that have at least one listed residential rental property.

Trial Court Improvement Fund
The Trial Court Improvement Fund accounts for monies received from the State to be used for municipal court staffing, programs, facilities, and services as appropriated by the City Council.

Criminal Justice Assistance Fund
The Criminal Justice Assistance Fund accounts for monies received from the State to be used for criminal justice purposes.

Community Safety Sales Tax Fund
The Community Safety Sales Tax Fund accounts for monies received from the increase in the sales and use tax approved by the City of Spokane electorate and provided by RCW 82.14.450 for the enhancement of community safety functions and operations pursuant to Resolution 2024-0067.

Transportation Benefit District Fund
The Transportation Benefit District Fund is used to account for funds from vehicle fees collected by the State Department of Licensing pursuant to RCW 82.80.140, RCW 36.73.060, and Resolution 2011-0001 adopted by the City of Spokane Transportation Benefit District Governing Board. The fund will be used to pay for transportation improvements authorized pursuant to Chapter 36.73 RCW, Chapter 8.16 SMC and Resolution 2011-0001.

Cable TV Equipment Reserve Fund
The Cable TV Equipment Reserve Fund accounts for monies received from TCI Communications and other sources to be used for the purchase of equipment for various City cable television projects.

Defined Contribution Administrative Fund
The Defined Contribution Administration Fund accounts for the receipt of revenues and for the payment of expenditures related to the 457 Plan.

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025

	Street	Pension Contributions	Voya Defined Benefit Contributions	General Fund Grants	Domestic Violence Prevention	Spokane Safe Streets for All
ASSETS						
Cash and cash equivalents	$ 1,351,933	$ 172,069	$ 12,794	$ 26,252	$ 2,917	$ 251,016
Deposits with fiscal agents/trustees	-	-	-	-	-	53,134
Equity in pooled investments	2,663,163	339,007	25,207	51,720	5,747	8,718,690
Taxes receivable	503,416	257,836	-	-	-	-
Accounts receivable	33,745	-	-	426,043	-	706,827
Interest receivable	-	20	-	-	-	4,317
Due from other funds	2,725,201	-	42	6,784	-	149,627
Interfund loan receivable	-	-	-	-	-	421,962
Lease receivable	-	-	-	-	-	-
Lease interest receivable	-	-	-	-	-	-
Due from other governments	-	21,972	-	250,134	-	-
Advances to other funds	-	-	-	-	-	789,572
Inventories	974,045	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	8,251,503	790,904	38,043	760,933	8,664	11,095,145
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	907,647	-	8,336	28,442	-	542,053
Due to other funds	802,886	-	-	35,000	-	878,787
Due to other governments	-	66,938	-	-	-	-
Interfund loan payable	-	-	-	714,065	-	-
Accrued payroll liabilities	283,885	-	-	-	-	3,466
Other current liabilities	175	-	-	-	-	-
Total Liabilities	1,994,593	66,938	8,336	777,507	-	1,424,306
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	225,872	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	-	-
Lease Related	-	-	-	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	-
Unavailable Revenues Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	225,872	-	-	-	-
FUND BALANCE						
Nonspendable	974,045	-	-	-	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	498,094	-	-	-	-
Restricted- public safety & crime reduction	-	-	-	-	-	-
Restricted - grants	-	-	-	111,762	-	-
Restricted - Other	-	-	29,707	-	-	-
Committed	-	-	-	-	8,664	9,670,839
Assigned	5,282,865	-	-	-	-	-
Unassigned	-	-	-	(128,336)	-	-
Total Fund Balance	6,256,910	498,094	29,707	(16,574)	8,664	9,670,839
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 8,251,503	$ 790,904	$ 38,043	$ 760,933	$ 8,664	$ 11,095,145

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Historic Preservation	Cannabis Fund	Park	Parking Meter	Housing Sales Tax	Paths & Trails
ASSETS						
Cash and cash equivalents	$ 2,903	$ 194,710	$ 995,396	$ 155,093	$ 6,577,764	$ 291,173
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	5,719	383,615	7,343,886	384,183	12,959,399	573,665
Taxes receivable	-	-	-	-	1,336,139	2,530
Accounts receivable	(1,960)	-	616,517	737,732	-	121,941
Interest receivable	-	-	2,976	-	-	-
Due from other funds	-	-	401,444	119,520	-	199
Interfund loan receivable	-	-	277,614	4,047	-	-
Lease receivable	-	-	188,245	-	-	-
Lease interest receivable	-	-	460	-	-	-
Due from other governments	-	-	163,380	-	-	-
Advances to other funds	-	-	519,468	7,572	-	-
Inventories	-	-	108,102	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	6,662	578,325	10,617,488	1,408,147	20,873,302	989,508
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	-	-	455,099	46,727	369,032	26,345
Due to other funds	-	-	158,467	366,311	187,189	74,447
Due to other governments	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-
Accrued payroll liabilities	-	-	344,198	43,721	-	-
Other current liabilities	-	-	32,897	26,465	-	-
Total Liabilities	-	-	990,661	483,224	556,221	100,792
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	-	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	-	-
Lease Related	-	-	183,838	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	-
Unavailable Revenues Other	-	-	232,386	-	-	-
Total Deferred Inflows of Resources	-	-	416,224	-	-	-
FUND BALANCE						
Nonspendable	-	-	108,102	-	-	-
Restricted - capital projects	-	-	4,692,131	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted- public safety & crime reduction	-	-	-	-	-	-
Restricted - grants	-	-	-	-	-	-
Restricted - Other	-	578,325	-	-	20,317,081	888,716
Committed	-	-	4,394,380	-	-	-
Assigned	6,662	-	15,990	924,923	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	6,662	578,325	9,210,603	924,923	20,317,081	888,716
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 6,662	$ 578,325	$ 10,617,488	$ 1,408,147	$ 20,873,302	$ 989,508

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Spokane United 911 Network	Public Safety Personnel	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant	Opioid Settlement
ASSETS						
Cash and cash equivalents	$ 270	$ 702,181	$ 41,122	$ 1,682	$ 721,600	$ 1,351,966
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	531	1,383,425	81,018	3,313	1,471,299	2,663,621
Taxes receivable	-	213,812	-	-	113,280	-
Accounts receivable	-	-	-	-	-	7,876,665
Interest receivable	-	(72)	-	-	27	-
Due from other funds	-	20,027	-	-	192,395	-
Interfund loan receivable	-	-	-	-	2,546	-
Lease receivable	-	-	-	-	-	-
Lease interest receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	6,302,871	-
Advances to other funds	-	-	-	-	4,763	-
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	801	2,319,373	122,140	4,995	8,808,781	11,892,252
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	-	-	-	-	-	28,819
Due to other funds	-	843,750	-	-	193,451	6,136
Due to other governments	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	6,302,874	-
Accrued payroll liabilities	-	-	-	-	-	-
Other current liabilities	44	-	4,214	-	736	-
Total Liabilities	44	843,750	4,214	-	6,497,061	34,955
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	185,032	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	-	-
Lease Related	-	-	-	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	7,876,666
Unavailable Revenues Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	185,032	-	-	-	7,876,666
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted- public safety & crime reduction	-	1,290,591	-	-	-	-
Restricted - grants	-	-	-	4,995	-	-
Restricted - Other	-	-	-	-	-	3,980,631
Committed	-	-	117,926	-	-	-
Assigned	757	-	-	-	2,311,720	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	757	1,290,591	117,926	4,995	2,311,720	3,980,631
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 801	$ 2,319,373	$ 122,140	$ 4,995	$ 8,808,781	$ 11,892,252

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Forfeitures & Contributions	Hotel/Motel Lodging Tax	Affordable & Supportive Housing	Emergency Rental Assistance	Public Safety & Judicial Grants	Combined Communications Center
ASSETS						
Cash and cash equivalents	$ 516,212	$ 359,851	$ 468,606	$ 32,701	$ 120,762	$ 98,590
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	1,389,048	708,971	923,238	65,923	237,924	194,505
Taxes receivable	-	594,357	97,819	-	-	-
Accounts receivable	-	-	-	-	101,150	-
Interest receivable	-	-	-	1	-	-
Due from other funds	43,142	-	-	-	-	-
Interfund loan receivable	19,148	-	-	77	-	14
Lease receivable	-	-	-	-	-	-
Lease interest receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	508,524	-
Advances to other funds	35,830	-	-	143	-	26
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	2,003,380	1,663,179	1,489,663	98,845	968,360	293,135
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	187,464	488,939	-	-	116,916	-
Due to other funds	4,279	2,599	-	386	593,052	155
Due to other governments	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	13,817	-
Other current liabilities	1,532	-	-	-	6,017	159
Total Liabilities	193,275	491,538	-	386	729,802	314
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	-	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	9,595	-
Lease Related	-	-	-	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	-
Unavailable Revenues Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	9,595	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted- public safety & crime reduction	-	-	-	-	-	-
Restricted - grants	-	-	-	98,459	228,963	-
Restricted - Other	-	1,171,641	1,489,663	-	-	-
Committed	1,810,105	-	-	-	-	292,821
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	1,810,105	1,171,641	1,489,663	98,459	228,963	292,821
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 2,003,380	$ 1,663,179	$ 1,489,663	$ 98,845	$ 968,360	$ 293,135

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Communications Building M&O	Community Development	Housing and Homeless Services	Community Development Block Grant Program	Misc Community Development Grants	Home Program
ASSETS						
Cash and cash equivalents	$ 147,225	$ 13,899	$ 580,053	$ 254,739	$ 95,389	$ 2,437
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	290,078	27,383	1,142,812	513,372	713,600	159,043
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	1,200,000	17,500	500,000
Interest receivable	-	-	-	-	290	119
Due from other funds	4,783	878	309,103	70,476	6,423	13,466
Interfund loan receivable	1	-	-	589	26,971	7,914
Lease receivable	-	-	-	-	-	-
Lease interest receivable	-	-	-	-	-	-
Due from other governments	12,527	-	-	324,334	188,097	710,133
Advances to other funds	2	-	-	1,103	50,467	14,808
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	8,326,091	609,882	4,884,709
Total Assets	454,616	42,160	2,031,968	10,690,704	1,708,619	6,292,629
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	23,210	-	423	-	81	-
Due to other funds	10,817	121	316,694	62,151	13,645	19,232
Due to other governments	-	-	-	-	-	-
Interfund loan payable	-	-	600,000	323,728	331,016	710,042
Accrued payroll liabilities	-	-	73,860	-	-	-
Other current liabilities	3,494	-	-	14,457	-	282
Total Liabilities	37,521	121	990,977	400,336	344,742	729,556
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	-	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	-	-
Lease Related	-	-	-	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	-
Unavailable Revenues Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted- public safety & crime reduction	-	-	-	-	-	-
Restricted - grants	-	42,039	1,040,991	10,290,368	1,363,877	5,563,073
Restricted - Other	-	-	-	-	-	-
Committed	417,095	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	417,095	42,039	1,040,991	10,290,368	1,363,877	5,563,073
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 454,616	$ 42,160	$ 2,031,968	$ 10,690,704	$ 1,708,619	$ 6,292,629

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Housing Assistance	Legal Services & Relocation	Rental Rehabilitation	Residential Rental Property Mitigation	Trial Court Improvement	Criminal Justice Assistance
ASSETS						
Cash and cash equivalents	$ 8,994	$ 96,951	$ 133,679	$ 29,163	$ 21,870	$ 676,015
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	167,925	191,012	266,856	57,458	43,088	1,331,874
Taxes receivable	-	-	-	-	-	1,482,835
Accounts receivable	2,500	-	27,500	11,308	-	-
Interest receivable	83	-	2	-	-	-
Due from other funds	-	152,168	-	-	-	5,540
Interfund loan receivable	7,707	-	179	-	-	-
Lease receivable	-	-	-	-	-	-
Lease interest receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Advances to other funds	14,420	-	335	-	-	-
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	49,844	-	2,797,309	-	-	-
Total Assets	251,473	440,131	3,225,860	97,929	64,958	3,496,264
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	-	-	-	-	-	2,998,219
Due to other funds	3,195	-	96	-	64,608	143,598
Due to other governments	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-	-
Other current liabilities	-	-	589,785	-	-	-
Total Liabilities	3,195	-	589,881	-	64,608	3,141,817
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	-	-	-	-	-	-
Unavailable Revenues Grants	-	-	-	-	-	-
Lease Related	-	-	-	-	-	-
Unavailable Revenues Opioid Settlement	-	-	-	-	-	-
Unavailable Revenues Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted- public safety & crime reduction	-	-	-	-	-	-
Restricted - grants	248,278	-	2,635,979	-	-	-
Restricted - Other	-	-	-	-	350	-
Committed	-	-	-	-	-	354,447
Assigned	-	440,131	-	97,929	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	248,278	440,131	2,635,979	97,929	350	354,447
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 251,473	$ 440,131	$ 3,225,860	$ 97,929	$ 64,958	$ 3,496,264

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2025
(Continued)

	Community Safety Sales Tax	Transportation Benefit District	Cable TV Equipment Reserve	Defined Contribution Admin	Total
ASSETS					
Cash and cash equivalents	$ 170,834	$ 134,514	$ 250,730	$ 16,164	$ 17,082,219
Deposits with fiscal agents/trustees	-	-	-	-	53,134
Equity in pooled investments	336,574	1,966,626	494,009	31,846	50,310,373
Taxes receivable	1,042,090	-	20,699	-	5,664,813
Accounts receivable	-	-	18,572	-	12,396,040
Interest receivable	-	214	-	-	7,977
Due from other funds	-	2,865	-	67	4,224,150
Interfund loan receivable	-	88,236	1	-	857,006
Lease receivable	-	-	-	-	188,245
Lease interest receivable	-	-	-	-	460
Due from other governments	-	-	-	-	8,481,972
Advances to other funds	-	165,107	2	-	1,603,618
Inventories	-	-	-	-	1,082,147
Notes/contract receivable (non-current)	-	-	-	-	16,667,835
Total Assets	1,549,498	2,357,562	784,013	48,077	118,619,989
LIABILITIES AND FUND BALANCE					
Accounts/vouchers payable	-	-	11,015	-	6,238,767
Due to other funds	1,549,498	58,812	-	-	6,389,362
Due to other governments	-	-	-	-	66,938
Interfund loan payable	-	-	-	-	8,981,725
Accrued payroll liabilities	-	-	-	-	762,947
Other current liabilities	-	-	-	-	680,257
Total Liabilities	1,549,498	58,812	11,015	-	23,119,996
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue Property Taxes	-	-	-	-	410,904
Unavailable Revenues Grants	-	-	-	-	9,595
Lease Related	-	-	-	-	183,838
Unavailable Revenues Opioid Settlement	-	-	-	-	7,876,666
Unavailable Revenues Other	-	-	-	-	232,386
Total Deferred Inflows of Resources	-	-	-	-	8,713,389
FUND BALANCE					
Nonspendable	-	-	-	-	1,082,147
Restricted - capital projects	-	-	-	-	4,692,131
Restricted - police & firefighters' pension	-	-	-	48,077	546,171
Restricted- public safety & crime reduction	-	-	-	-	1,290,591
Restricted - grants	-	-	-	-	21,628,784
Restricted - Other	-	2,298,750	-	-	30,754,864
Committed	-	-	772,998	-	17,839,275
Assigned	-	-	-	-	9,080,977
Unassigned	-	-	-	-	(128,336)
Total Fund Balance	-	2,298,750	772,998	48,077	86,786,604
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,549,498	$ 2,357,562	$ 784,013	$ 48,077	$ 118,619,989

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025

	Street	Pension Contributions	Voya Defined Benefit Contributions	General Fund Grants	Domestic Violence Prevention	Spokane Safe Streets for All
REVENUES						
Taxes	$ 11,040,659	$ 4,255,827	$ -	$ -	$ -	$ -
Licenses and permits	5,389	-	-	-	-	-
Intergovernmental	3,122,679	-	-	1,711,647	-	-
Charges for services	7,781,852	-	41,592	-	-	-
Fines and forfeitures	-	-	-	-	495	4,957,896
Miscellaneous	176,868	-	-	2,000	-	307,586
Net inc(dec) in market value of investments	-	-	-	-	-	159,463
Total Revenues	22,127,447	4,255,827	41,592	1,713,647	495	5,424,945
EXPENDITURES						
General government	-	3,986,570	33,484	615,478	-	-
Public safety	-	-	-	-	-	2,913,337
Transportation	25,773,437	-	-	-	-	1,154,486
Economic environment	-	-	-	942,402	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	46,306	-	-
Capital outlays	186,343	-	-	-	-	1,591,085
Debt service:						
Principal	-	-	-	-	-	-
Interest and other related costs	-	1,246	-	-	-	-
Total Expenditures	25,959,780	3,987,816	33,484	1,604,186	-	5,658,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,832,333)	268,011	8,108	109,461	495	(233,963)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	13,902	-	-	-	-	-
Lease proceeds (as lessee)	-	-	-	-	-	-
Transfers in	3,061,877	-	-	-	-	-
Transfers out	-	(2,200,000)	-	-	-	(187,053)
Total Other Financing Sources (Uses)	3,075,779	(2,200,000)	-	-	-	(187,053)
Net Change in Fund Balance	(756,554)	(1,931,989)	8,108	109,461	495	(421,016)
Fund Balance - beginning of year, as previously presented	7,027,937	2,625,024	21,599	(126,035)	8,169	10,238,470
Restatement	(14,473)	(194,941)	-	-	-	(146,615)
Fund Balance - beginning of year, as restated	7,013,464	2,430,083	21,599	(126,035)	8,169	10,091,855
Fund Balance - ending	$ 6,256,910	$ 498,094	$ 29,707	$ (16,574)	$ 8,664	$ 9,670,839

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Historic Preservation	Cannabis Fund	Park	Parking Meter	Housing Sales Tax	Paths & Trails
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ 7,608,420	$ -
Licenses and permits	10,025	-	1,125	909,986	-	224,507
Intergovernmental	-	570,246	1,802,956	-	-	14,211
Charges for services	-	-	4,824,405	-	-	-
Fines and forfeitures	-	-	10,561	7,317	-	-
Miscellaneous	-	-	3,455,576	3,638,825	(21,400)	717
Net inc(dec) in market value of investments	-	-	137,703	2,232	-	-
Total Revenues	10,025	570,246	10,232,326	4,558,360	7,587,020	239,435
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	-	5,351,537	-	-
Transportation	-	-	-	-	-	139,894
Economic environment	12,000	-	-	314,498	3,499,912	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	25,857,417	-	-	-
Capital outlays	-	-	1,858,748	-	-	-
Debt service:						
Principal	-	-	501,609	-	-	-
Interest and other related costs	-	-	59,260	-	-	-
Total Expenditures	12,000	-	28,277,034	5,666,035	3,499,912	139,894
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,975)	570,246	(18,044,708)	(1,107,675)	4,087,108	99,541
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	42,103	-	-	-
Lease proceeds (as lessee)	-	-	295,353	-	-	-
Transfers in	-	-	19,207,007	757,267	-	-
Transfers out	-	(140,000)	(60,923)	-	(152,168)	(74,447)
Total Other Financing Sources (Uses)	-	(140,000)	19,483,540	757,267	(152,168)	(74,447)
Net Change in Fund Balance	(1,975)	430,246	1,438,832	(350,408)	3,934,940	25,094
Fund Balance - beginning of year, as previously presented	8,637	148,079	7,824,438	1,275,407	16,382,141	863,622
Restatement	-	-	(52,667)	(76)	-	-
Fund Balance - beginning of year, as restated	8,637	148,079	7,771,771	1,275,331	16,382,141	863,622
Fund Balance - ending	$ 6,662	$ 578,325	$ 9,210,603	$ 924,923	$ 20,317,081	$ 888,716

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Spokane United 911 Network	Public Safety Personnel	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant	Opioid Settlement
REVENUES						
Taxes	$ -	$ 7,055,268	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	28,226,747	-
Charges for services	-	-	-	-	972,973	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	-	-	23,555	858,492
Net inc(dec) in market value of investments	-	-	-	-	1,275	-
Total Revenues	-	7,055,268	-	-	29,224,550	858,492
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	371,131	-	-	-	815,670
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Social services	-	-	-	-	28,561,668	300,000
Culture and recreation	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other related costs	-	-	-	-	-	-
Total Expenditures	-	371,131	-	-	28,561,668	1,115,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	6,684,137	-	-	662,882	(257,178)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Lease proceeds (as lessee)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(6,750,000)	-	-	-	(139,388)
Total Other Financing Sources (Uses)	-	(6,750,000)	-	-	-	(139,388)
Net Change in Fund Balance	-	(65,863)	-	-	662,882	(396,566)
Fund Balance - beginning of year, as previously presented	757	1,356,454	117,926	4,995	1,649,618	4,377,197
Restatement	-	-	-	-	(780)	-
Fund Balance - beginning of year, as restated	757	1,356,454	117,926	4,995	1,648,838	4,377,197
Fund Balance - ending	$ 757	$ 1,290,591	$ 117,926	$ 4,995	$ 2,311,720	$ 3,980,631

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Forfeitures & Contributions	Hotel/Motel Lodging Tax	Affordable & Supportive Housing	Emergency Rental Assistance	Public Safety & Judicial Grants	Combined Communications Center
REVENUES						
Taxes	$ -	$ 5,264,604	$ 407,558	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	141,520	-	-	-	2,762,500	-
Charges for services	31,019	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	655,793	-	-	56	28,604	3
Net inc(dec) in market value of investments	10,563	-	-	47	-	7
Total Revenues	838,895	5,264,604	407,558	103	2,791,104	10
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	430,212	-	-	-	2,393,620	-
Transportation	-	-	-	-	-	-
Economic environment	-	4,680,007	945	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	362,377	-	-	-	397,760	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other related costs	-	-	-	-	-	-
Total Expenditures	792,589	4,680,007	945	-	2,791,380	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,306	584,597	406,613	103	(276)	10
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Lease proceeds (as lessee)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balance	46,306	584,597	406,613	103	(276)	10
Fund Balance - beginning of year, as previously presented	1,763,942	587,044	1,083,050	98,733	229,239	292,966
Restatement	(143)	-	-	(377)	-	(155)
Fund Balance - beginning of year, as restated	1,763,799	587,044	1,083,050	98,356	229,239	292,811
Fund Balance - ending	$ 1,810,105	$ 1,171,641	$ 1,489,663	$ 98,459	$ 228,963	$ 292,821

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Communications Building M&O	Community Development	Housing and Homeless Services	Community Development Block Grant Program	Misc Community Development Grants	Home Program
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	4,885,266	683,469	2,226,854
Charges for services	1,501,073	-	360,900	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	1	9,739	-	258,066	100,913	27,517
Net inc(dec) in market value of investments	-	-	-	352	13,492	16,835
Total Revenues	1,501,074	9,739	360,900	5,143,684	797,874	2,271,206
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	304,358	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	5,373,414	137,345	2,408,300
Social services	-	3,116	-	-	1,253,100	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other related costs	-	-	-	-	-	-
Total Expenditures	304,358	3,116	-	5,373,414	1,390,445	2,408,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,196,716	6,623	360,900	(229,730)	(592,571)	(137,094)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Lease proceeds (as lessee)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(415,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	(415,000)	-	-	-	-	-
Net Change in Fund Balance	781,716	6,623	360,900	(229,730)	(592,571)	(137,094)
Fund Balance - beginning of year, as previously presented	(364,614)	35,416	680,091	10,520,301	1,966,602	5,231,497
Restatement	(7)	-	-	(203)	(10,154)	468,670
Fund Balance - beginning of year, as restated	(364,621)	35,416	680,091	10,520,098	1,956,448	5,700,167
Fund Balance - ending	$ 417,095	$ 42,039	$ 1,040,991	$ 10,290,368	$ 1,363,877	$ 5,563,073

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Housing Assistance	Legal Services & Relocation	Rental Rehabilitation	Residential Rental Property Mitigation	Trial Court Improvement	Criminal Justice Assistance
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 4,630,780
Licenses and permits	-	-	-	44,634	-	-
Intergovernmental	-	-	-	-	63,808	2,507,209
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	9,383	-	24,151	-	-	18,418
Net inc(dec) in market value of investments	1,145	-	90	-	-	33,426
Total Revenues	10,528	-	24,241	44,634	63,808	7,189,833
EXPENDITURES						
General government	-	12,900	-	-	-	175,393
Public safety	-	-	-	-	-	9,503,468
Transportation	-	-	-	-	-	-
Economic environment	-	-	6,187	793	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	1,346,166
Interest and other related costs	-	-	-	-	-	135,019
Total Expenditures	-	12,900	6,187	793	-	11,160,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,528	(12,900)	18,054	43,841	63,808	(3,970,213)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Lease proceeds (as lessee)	-	-	-	-	-	-
Transfers in	-	152,168	-	-	-	2,000,000
Transfers out	-	-	-	-	(65,000)	-
Total Other Financing Sources (Uses)	-	152,168	-	-	(65,000)	2,000,000
Net Change in Fund Balance	10,528	139,268	18,054	43,841	(1,192)	(1,970,213)
Fund Balance - beginning of year, as previously presented	240,111	300,863	2,618,002	54,088	1,542	2,324,964
Restatement	(2,361)	-	(77)	-	-	(304)
Fund Balance - beginning of year, as restated	237,750	300,863	2,617,925	54,088	1,542	2,324,660
Fund Balance - ending	$ 248,278	$ 440,131	$ 2,635,979	$ 97,929	$ 350	$ 354,447

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Community Safety Sales Tax	Transportation Benefit District	Cable TV Equipment Reserve	Defined Contribution Admin	Total
REVENUES					
Taxes	$ 4,522,616	$ 3,173,573	$ -	$ -	$ 47,959,305
Licenses and permits	-	-	250,000	-	1,445,666
Intergovernmental	-	-	-	-	48,719,112
Charges for services	-	-	-	2,500	15,516,314
Fines and forfeitures	-	-	-	-	4,976,269
Miscellaneous	-	(51,056)	-	-	9,523,807
Net inc(dec) in market value of investments	-	3,655	1	-	380,286
Total Revenues	4,522,616	3,126,172	250,001	2,500	128,520,759
EXPENDITURES					
General government	-	-	128,914	50,089	5,002,828
Public safety	-	-	-	-	22,083,333
Transportation	-	2,859,854	-	-	29,927,671
Economic environment	-	-	-	-	17,375,803
Social services	-	-	-	-	30,117,884
Culture and recreation	-	-	-	-	25,903,723
Capital outlays	-	49,231	52,307	-	4,497,851
Debt service:					
Principal	-	-	-	-	1,847,775
Interest and other related costs	-	-	-	-	195,525
Total Expenditures	-	2,909,085	181,221	50,089	136,952,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,522,616	217,087	68,780	(47,589)	(8,431,634)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	56,005
Lease proceeds (as lessee)	-	-	-	-	295,353
Transfers in	-	-	-	-	25,178,319
Transfers out	(4,522,616)	-	-	-	(14,706,595)
Total Other Financing Sources (Uses)	(4,522,616)	-	-	-	10,823,082
Net Change in Fund Balance	-	217,087	68,780	(47,589)	2,391,448
Fund Balance - beginning of year, as previously presented	-	2,127,626	704,218	95,666	84,395,782
Restatement	-	(45,963)	-	-	(626)
Fund Balance - beginning of year, as restated	-	2,081,663	704,218	95,666	84,395,156
Fund Balance - ending	$ -	$ 2,298,750	$ 772,998	$ 48,077	$ 86,786,604

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Street Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 11,040,659	$ 11,040,659	$ 11,040,659	$ -
Licenses and permits	1,440	1,440	5,389	3,949
Intergovernmental	3,450,000	3,450,000	3,122,679	(327,321)
Charges for services	8,063,580	8,063,580	7,781,852	(281,728)
Miscellaneous	137,380	137,380	176,868	39,488
Total revenues	22,693,059	22,693,059	22,127,447	(565,612)
EXPENDITURES				
Transportation	27,604,731	27,688,293	25,773,437	1,914,856
Capital outlays	245,700	276,200	186,343	89,857
Total expenditures	27,850,431	27,964,493	25,959,780	2,004,713
Excess (deficiency) of revenues over (under) expenditures	(5,157,372)	(5,271,434)	(3,832,333)	1,439,101
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	34,125	34,125	13,902	(20,223)
Transfers in	4,500,000	4,500,000	3,061,877	(1,438,123)
Transfers out	(203,008)	(203,008)	-	203,008
Total other financing sources (uses)	4,331,117	4,331,117	3,075,779	(1,255,338)
Net change in fund balance	(826,255)	(940,317)	(756,554)	183,763
Fund Balance - beginning	(4,052,757)	(14,087,808)	7,027,937	21,115,745
Restatement	-	-	(14,473)	(14,473)
Fund Balance - ending	$ (4,879,012)	$ (15,028,125)	$ 6,256,910	$ 21,285,035

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Pension Contributions Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 5,003,943	$ 5,003,943	$ 4,255,827	$ (748,116)
Total revenues	5,003,943	5,003,943	4,255,827	(748,116)
EXPENDITURES				
General government	5,003,643	5,003,643	3,986,570	1,017,073
Interest	300	300	1,246	(946)
Total expenditures	5,003,943	5,003,943	3,987,816	1,016,127
Excess (deficiency) of revenues over (under) expenditures	-	-	268,011	268,011
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,200,000)	(2,200,000)	-
Total other financing sources (uses)	-	(2,200,000)	(2,200,000)	-
Net change in fund balance	-	(2,200,000)	(1,931,989)	268,011
Fund Balance - beginning	731,941	731,941	2,625,024	1,893,083
Restatement	-	-	(194,941)	(194,941)
Fund Balance - ending	$ 731,941	$ (1,468,059)	$ 498,094	$ 1,966,153

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Voya Defined Benefit Contributions
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Charges for services	$ 46,000	$ 46,000	$ 41,592	$ (4,408)
Total revenues	46,000	46,000	41,592	(4,408)
EXPENDITURES				
General government	45,933	54,034	33,484	20,550
Total expenditures	45,933	54,034	33,484	20,550
Net change in fund balance	67	(8,034)	8,108	16,142
Fund Balance - beginning	2,101	2,101	21,599	19,498
Fund Balance - ending	$ 2,168	$ (5,933)	$ 29,707	$ 35,640

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund Grants
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 178,500	$ 12,357,319	$ 1,711,647	$ (10,645,672)
Miscellaneous	-	11,042	2,000	(9,042)
Total revenues	178,500	12,368,361	1,713,647	(10,654,714)
EXPENDITURES				
General government	-	2,688,984	615,478	2,073,506
Economic environment	178,500	1,473,085	942,402	530,683
Culture and recreation	-	914,257	46,306	867,951
Capital outlays	-	7,292,050	-	7,292,050
Total expenditures	178,500	12,368,376	1,604,186	10,764,190
Net change in fund balance	-	(15)	109,461	109,476
Fund Balance - beginning	320,000	499,971	(126,035)	(626,006)
Fund Balance - ending	$ 320,000	$ 499,956	$ (16,574)	$ (516,530)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Domestic Violence Prevention Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Fines and forfeitures	$ 500	$ 500	$ 495	$ (5)
Total revenues	500	500	495	(5)
EXPENDITURES				
Public safety	500	500	-	500
Total expenditures	500	500	-	500
Net change in fund balance	-	-	495	495
Fund Balance - beginning	(2,065)	(2,065)	8,169	10,234
Fund Balance - ending	$ (2,065)	$ (2,065)	$ 8,664	$ 10,729

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Spokane Safe Streets for All
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Fines and forfeitures	$ 5,616,143	$ 5,616,143	$ 4,957,896	$ (658,247)
Miscellaneous	306,000	306,000	307,586	1,586
Net inc(dec) in market value of investments	-	-	159,463	159,463
Total revenues	5,922,143	5,922,143	5,424,945	(497,198)
EXPENDITURES				
Public safety	2,501,641	2,601,407	2,913,337	(311,930)
Transportation	78,250	1,884,466	1,154,486	729,980
Capital outlays	3,248,000	4,062,325	1,591,085	2,471,240
Total expenditures	5,827,891	8,548,198	5,658,908	2,889,290
Excess (deficiency) of revenues over (under) expenditures	94,252	(2,626,055)	(233,963)	2,392,092
OTHER FINANCING SOURCES (USES)				
Transfers out	(198,549)	(198,549)	(187,053)	11,496
Total other financing sources (uses)	(198,549)	(198,549)	(187,053)	11,496
Net change in fund balance	(104,297)	(2,824,604)	(421,016)	2,403,588
Fund Balance - beginning	(1,720,859)	(23,475,239)	10,238,470	33,713,709
Restatement	-	-	(146,615)	(146,615)
Fund Balance - ending	$ (1,825,156)	$ (26,299,843)	$ 9,670,839	$ 35,970,682

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Historic Preservation
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 10,000	$ 10,000	$ 10,025	$ 25
Total revenues	10,000	10,000	10,025	25
EXPENDITURES				
Economic environment	17,500	17,500	12,000	5,500
Total expenditures	17,500	17,500	12,000	5,500
Net change in fund balance	(7,500)	(7,500)	(1,975)	5,525
Fund Balance - beginning	(34,707)	(71,623)	8,637	80,260
Fund Balance - ending	$ (42,207)	$ (79,123)	$ 6,662	$ 85,785

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Cannabis Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 661,000	$ 661,000	$ 570,246	$ (90,754)
Total revenues	661,000	661,000	570,246	(90,754)
EXPENDITURES				
Social services	21,000	21,000	-	21,000
Total expenditures	21,000	21,000	-	21,000
Excess (deficiency) of revenues over (under) expenditures	640,000	640,000	570,246	(69,754)
OTHER FINANCING SOURCES (USES)				
Transfers out	(640,000)	(640,000)	(140,000)	500,000
Total other financing sources (uses)	(640,000)	(640,000)	(140,000)	500,000
Net change in fund balance	-	-	430,246	430,246
Fund Balance - beginning	-	-	148,079	148,079
Fund Balance - ending	$ -	$ -	$ 578,325	$ 578,325

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Park Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 1,000	$ 1,000	$ 1,125	$ 125
Intergovernmental	5,510,000	5,510,000	1,802,956	(3,707,044)
Charges for services	4,997,812	4,997,812	4,824,405	(173,407)
Fines and forfeitures	3,000	3,000	10,561	7,561
Miscellaneous	2,595,049	2,595,049	3,455,576	860,527
Net inc(dec) in market value of investments	-	-	137,703	137,703
Total revenues	13,106,861	13,106,861	10,232,326	(2,874,535)
EXPENDITURES				
Culture and recreation	27,006,610	29,248,186	25,857,417	3,390,769
Capital outlays	5,853,352	5,871,015	1,858,748	4,012,267
Principal	-	-	501,609	(501,609)
Interest	-	-	59,260	(59,260)
Total expenditures	32,859,962	35,119,201	28,277,034	6,842,167
Excess (deficiency) of revenues over (under) expenditures	(19,753,101)	(22,012,340)	(18,044,708)	3,967,632
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	42,103	42,103
Lease proceeds (as lessee)	-	-	295,353	295,353
Transfers in	19,784,575	19,784,575	19,207,007	(577,568)
Transfers out	(1,261,435)	(1,316,435)	(60,923)	1,255,512
Total other financing sources (uses)	18,523,140	18,468,140	19,483,540	1,015,400
Net change in fund balance	(1,229,961)	(3,544,200)	1,438,832	4,983,032
Fund Balance - beginning	(1,018,446)	(21,196,262)	7,824,438	29,020,700
Restatement	-	-	(52,667)	(52,667)
Fund Balance - ending	$ (2,248,407)	$ (24,740,462)	$ 9,210,603	$ 33,951,065

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Parking Meter Revenue Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 550,000	$ 550,000	$ 909,986	$ 359,986
Fines and forfeitures	9,500	9,500	7,317	(2,183)
Miscellaneous	4,388,647	4,388,647	3,638,825	(749,822)
Net inc(dec) in market value of investments	-	-	2,232	2,232
Total revenues	4,948,147	4,948,147	4,558,360	(389,787)
EXPENDITURES				
Public safety	3,717,294	3,788,489	5,351,537	(1,563,048)
Economic environment	-	410,949	314,498	96,451
Total expenditures	3,717,294	4,199,438	5,666,035	(1,466,597)
Excess (deficiency) of revenues over (under) expenditures	1,230,853	748,709	(1,107,675)	(1,856,384)
OTHER FINANCING SOURCES (USES)				
Transfers in	757,267	757,267	757,267	-
Transfers out	(2,372,154)	(2,372,154)	-	2,372,154
Total other financing sources (uses)	(1,614,887)	(1,614,887)	757,267	2,372,154
Net change in fund balance	(384,034)	(866,178)	(350,408)	515,770
Fund Balance - beginning	2,224,074	(4,129,564)	1,275,407	5,404,971
Restatement	-	-	(76)	(76)
Fund Balance - ending	$ 1,840,040	$ (4,995,742)	$ 924,923	$ 5,920,665

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Housing Sales Tax
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 7,685,000	$ 7,685,000	$ 7,608,420	$ (76,580)
Miscellaneous	-	-	(21,400)	(21,400)
Total revenues	7,685,000	7,685,000	7,587,020	(97,980)
EXPENDITURES				
Economic environment	16,417,250	18,137,062	3,499,912	14,637,150
Total expenditures	16,417,250	18,137,062	3,499,912	14,637,150
Excess (deficiency) of revenues over (under) expenditures	(8,732,250)	(10,452,062)	4,087,108	14,539,170
OTHER FINANCING SOURCES (USES)				
Transfers out	(156,000)	(156,000)	(152,168)	3,832
Total other financing sources (uses)	(156,000)	(156,000)	(152,168)	3,832
Net change in fund balance	(8,888,250)	(10,608,062)	3,934,940	14,543,002
Fund Balance - beginning	18,298,428	(11,291,525)	16,382,141	27,673,666
Fund Balance - ending	$ 9,410,178	$ (21,899,587)	$ 20,317,081	$ 42,216,668

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Paths Trails Reserve Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 180,000	$ 180,000	$ 224,507	$ 44,507
Intergovernmental	14,500	14,500	14,211	(289)
Miscellaneous	-	-	717	717
Total revenues	194,500	194,500	239,435	44,935
EXPENDITURES				
Transportation	185,657	205,046	139,894	65,152
Capital outlays	450,000	634,800	-	634,800
Total expenditures	635,657	839,846	139,894	699,952
Excess (deficiency) of revenues over (under) expenditures	(441,157)	(645,346)	99,541	744,887
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(125,000)	(74,447)	50,553
Total other financing sources (uses)	(50,000)	(125,000)	(74,447)	50,553
Net change in fund balance	(491,157)	(770,346)	25,094	795,440
Fund Balance - beginning	(1,291,287)	(2,712,633)	863,622	3,576,255
Fund Balance - ending	$ (1,782,444)	$ (3,482,979)	$ 888,716	$ 4,371,695

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Spokane United 911 Network
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
TOTAL	$ -	$ -	$ -	$ -
Net change in fund balance	-	-	-	-
Fund Balance - beginning	295,009	306,672	757	(305,915)
Fund Balance - ending	$ 295,009	$ 306,672	$ 757	$ (305,915)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Public Safety Personnel
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 7,123,347	$ 7,123,347	$ 7,055,268	$ (68,079)
Total revenues	7,123,347	7,123,347	7,055,268	(68,079)
EXPENDITURES				
Public safety	390,082	390,082	371,131	18,951
Total expenditures	390,082	390,082	371,131	18,951
Excess (deficiency) of revenues over (under) expenditures	6,733,265	6,733,265	6,684,137	(49,128)
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,750,000)	(6,750,000)	(6,750,000)	-
Total other financing sources (uses)	(6,750,000)	(6,750,000)	(6,750,000)	-
Net change in fund balance	(16,735)	(16,735)	(65,863)	(49,128)
Fund Balance - beginning	(230,857)	(3,775,710)	1,356,454	5,132,164
Fund Balance - ending	$ (247,592)	$ (3,792,445)	$ 1,290,591	$ 5,083,036

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Real Estate Rental Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
TOTAL	$ -	$ -	$ -	$ -
Net change in fund balance	-	-	-	-
Fund Balance - beginning	117,926	117,926	117,926	-
Fund Balance - ending	$ 117,926	$ 117,926	$ 117,926	$ -

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Law Enforcement Block Grant Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
TOTAL	$ -	$ -	$ -	$ -
Net change in fund balance	-	-	-	-
Fund Balance - beginning	4,995	4,995	4,995	-
Fund Balance - ending	$ 4,995	$ 4,995	$ 4,995	$ -

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Human Services Grant Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 40,269,007	$ 54,735,139	$ 28,226,747	$ (26,508,392)
Charges for services	800,000	800,000	972,973	172,973
Miscellaneous	11,000	11,000	23,555	12,555
Net inc(dec) in market value of investments	-	-	1,275	1,275
Total revenues	41,080,007	55,546,139	29,224,550	(26,321,589)
EXPENDITURES				
Social services	41,794,937	75,233,507	28,561,668	46,671,839
Total expenditures	41,794,937	75,233,507	28,561,668	46,671,839
Net change in fund balance	(714,930)	(19,687,368)	662,882	20,350,250
Fund Balance - beginning	(3,038,645)	(67,587,678)	1,649,618	69,237,296
Restatement	-	-	(780)	(780)
Fund Balance - ending	$ (3,753,575)	$ (87,275,046)	$ 2,311,720	$ 89,586,766

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Opioid Settlement
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ 317,221	$ 317,221	$ 858,492	$ 541,271
Total revenues	317,221	317,221	858,492	541,271
EXPENDITURES				
Public safety	1,117,616	1,646,116	815,670	830,446
Social services	-	2,082,100	300,000	1,782,100
Total expenditures	1,117,616	3,728,216	1,115,670	2,612,546
Excess (deficiency) of revenues over (under) expenditures	(800,395)	(3,410,995)	(257,178)	3,153,817
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(139,388)	(139,388)	-
Total other financing sources (uses)	-	(139,388)	(139,388)	-
Net change in fund balance	(800,395)	(3,550,383)	(396,566)	3,153,817
Fund Balance - beginning	317,221	(807,129)	4,377,197	5,184,326
Fund Balance - ending	$ (483,174)	$ (4,357,512)	$ 3,980,631	$ 8,338,143

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Forfeitures Contributions Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 130,000	$ 130,000	$ 141,520	$ 11,520
Charges for services	64,228	64,228	31,019	(33,209)
Fines and forfeitures	25,000	25,000	-	(25,000)
Miscellaneous	365,000	795,000	655,793	(139,207)
Net inc(dec) in market value of investments	-	-	10,563	10,563
Total revenues	584,228	1,014,228	838,895	(175,333)
EXPENDITURES				
Public safety	451,398	668,833	430,212	238,621
Capital outlays	220,000	878,684	362,377	516,307
Total expenditures	671,398	1,547,517	792,589	754,928
Net change in fund balance	(87,170)	(533,289)	46,306	579,595
Fund Balance - beginning	(78,690)	(1,355,502)	1,763,942	3,119,444
Restatement	-	-	(143)	(143)
Fund Balance - ending	$ (165,860)	$ (1,888,791)	$ 1,810,105	$ 3,698,896

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Hotel/Motel Lodging Tax Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 5,500,000	$ 5,500,000	$ 5,264,604	$ (235,396)
Total revenues	5,500,000	5,500,000	5,264,604	(235,396)
EXPENDITURES				
Economic environment	4,500,549	5,540,549	4,680,007	860,542
Total expenditures	4,500,549	5,540,549	4,680,007	860,542
Net change in fund balance	999,451	(40,549)	584,597	625,146
Fund Balance - beginning	35,570	(1,836,322)	587,044	2,423,366
Fund Balance - ending	$ 1,035,021	$ (1,876,871)	$ 1,171,641	$ 3,048,512

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Affordable & Supportive Housing
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 400,000	$ 400,000	$ 407,558	$ 7,558
Total revenues	400,000	400,000	407,558	7,558
EXPENDITURES				
Economic environment	1,069,944	1,069,944	945	1,068,999
Total expenditures	1,069,944	1,069,944	945	1,068,999
Net change in fund balance	(669,944)	(669,944)	406,613	1,076,557
Fund Balance - beginning	896,000	(1,075,836)	1,083,050	2,158,886
Fund Balance - ending	$ 226,056	$ (1,745,780)	$ 1,489,663	$ 3,235,443

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Emergency Rental Assistance
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ -	$ -	$ 56	$ 56
Net inc(dec) in market value of investments	-	-	47	47
Total revenues	-	-	103	103
EXPENDITURES				
Economic environment	-	7	-	7
Total expenditures	-	7	-	7
Net change in fund balance	-	(7)	103	110
Fund Balance - beginning	(69,943)	(2,033,333)	98,733	2,132,066
Restatement	-	-	(377)	(377)
Fund Balance - ending	$ (69,943)	$ (2,033,340)	$ 98,459	$ 2,131,799

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Public Safety and Judicial Grants Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 3,263,897	$ 5,032,463	$ 2,762,500	$ (2,269,963)
Miscellaneous	-	-	28,604	28,604
Total revenues	3,263,897	5,032,463	2,791,104	(2,241,359)
EXPENDITURES				
Public safety	2,040,674	4,634,221	2,393,620	2,240,601
Capital outlays	1,219,127	765,919	397,760	368,159
Total expenditures	3,259,801	5,400,140	2,791,380	2,608,760
Excess (deficiency) of revenues over (under) expenditures	4,096	(367,677)	(276)	367,401
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Total other financing sources (uses)	5,000	5,000	-	(5,000)
Net change in fund balance	9,096	(362,677)	(276)	362,401
Fund Balance - beginning	1,141,723	(220,358)	229,239	449,597
Fund Balance - ending	$ 1,150,819	$ (583,035)	$ 228,963	$ 811,998

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Combined Communications Center Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ -	$ -	$ 3	$ 3
Net inc(dec) in market value of investments	-	-	7	7
Total revenues	-	-	10	10
Net change in fund balance	-	-	10	10
Fund Balance - beginning	813,787	(146,456)	292,966	439,422
Restatement	-	-	(155)	(155)
Fund Balance - ending	$ 813,787	$ (146,456)	$ 292,821	$ 439,277

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Communications Building Maintenance Operations Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Charges for services	$ 334,986	$ 1,378,115	$ 1,501,073	$ 122,958
Miscellaneous	-	-	1	1
Total revenues	334,986	1,378,115	1,501,074	122,959
EXPENDITURES				
Public safety	336,173	395,673	304,358	91,315
Total expenditures	336,173	395,673	304,358	91,315
Excess (deficiency) of revenues over (under) expenditures	(1,187)	982,442	1,196,716	214,274
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(415,000)	(415,000)	-
Total other financing sources (uses)	-	(415,000)	(415,000)	-
Net change in fund balance	(1,187)	567,442	781,716	214,274
Fund Balance - beginning	145,084	(563,631)	(364,614)	199,017
Restatement	-	-	(7)	(7)
Fund Balance - ending	$ 143,897	$ 3,811	$ 417,095	$ 413,284

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Community Development
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ 15,000	$ 15,000	$ 9,739	$ (5,261)
Total revenues	15,000	15,000	9,739	(5,261)
EXPENDITURES				
Social services	35,000	35,000	3,116	31,884
Total expenditures	35,000	35,000	3,116	31,884
Net change in fund balance	(20,000)	(20,000)	6,623	26,623
Fund Balance - beginning	(110,996)	(115,717)	35,416	151,133
Fund Balance - ending	$ (130,996)	$ (135,717)	$ 42,039	$ 177,756

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Housing and Homeless Services
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Charges for services	$ -	$ -	$ 360,900	$ 360,900
Total revenues	-	-	360,900	360,900
EXPENDITURES				
Economic environment	41,591	47,333	-	47,333
Social services	438,312	438,528	-	438,528
Total expenditures	479,903	485,861	-	485,861
Net change in fund balance	(479,903)	(485,861)	360,900	846,761
Fund Balance - beginning	(568,026)	(895,731)	680,091	1,575,822
Fund Balance - ending	$ (1,047,929)	$ (1,381,592)	$ 1,040,991	$ 2,422,583

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Community Development Block Grant Program Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 8,000,000	$ 13,787,121	$ 4,885,266	$ (8,901,855)
Miscellaneous	2,000,000	2,000,000	258,066	(1,741,934)
Net inc(dec) in market value of investments	-	-	352	352
Total revenues	10,000,000	15,787,121	5,143,684	(10,643,437)
EXPENDITURES				
Economic environment	10,215,362	21,304,210	5,373,414	15,930,796
Total expenditures	10,215,362	21,304,210	5,373,414	15,930,796
Excess (deficiency) of revenues over (under) expenditures	(215,362)	(5,517,089)	(229,730)	5,287,359
OTHER FINANCING SOURCES (USES)				
Transfers in	575,300	575,300	-	(575,300)
Transfers out	(575,300)	(575,300)	-	575,300
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(215,362)	(5,517,089)	(229,730)	5,287,359
Fund Balance - beginning	14,495,166	(14,013,612)	10,520,301	24,533,913
Restatement	-	-	(203)	(203)
Fund Balance - ending	$ 14,279,804	$ (19,530,701)	$ 10,290,368	$ 29,821,069

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Miscellaneous Community Development Grants Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 200,000	$ 951,000	$ 683,469	$ (267,531)
Miscellaneous	31,000	141,000	100,913	(40,087)
Net inc(dec) in market value of investments	-	-	13,492	13,492
Total revenues	231,000	1,092,000	797,874	(294,126)
EXPENDITURES				
Economic environment	207,907	663,902	137,345	526,557
Social services	200,000	1,961,000	1,253,100	707,900
Total expenditures	407,907	2,624,902	1,390,445	1,234,457
Net change in fund balance	(176,907)	(1,532,902)	(592,571)	940,331
Fund Balance - beginning	(2,612,978)	(5,580,970)	1,966,602	7,547,572
Restatement	-	-	(10,154)	(10,154)
Fund Balance - ending	$ (2,789,885)	$ (7,113,872)	$ 1,363,877	$ 8,477,749

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Home Program Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 5,474,023	$ 8,927,045	$ 2,226,854	$ (6,700,191)
Miscellaneous	395,000	395,000	27,517	(367,483)
Net inc(dec) in market value of investments	-	-	16,835	16,835
Total revenues	5,869,023	9,322,045	2,271,206	(7,050,839)
EXPENDITURES				
Economic environment	6,531,685	14,954,084	2,408,300	12,545,784
Total expenditures	6,531,685	14,954,084	2,408,300	12,545,784
Net change in fund balance	(662,662)	(5,632,039)	(137,094)	5,494,945
Fund Balance - beginning	10,463,025	3,513,748	5,231,497	1,717,749
Restatement	-	-	468,670	468,670
Fund Balance - ending	$ 9,800,363	$ (2,118,291)	$ 5,563,073	$ 7,681,364

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Housing Assistance Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ 1,500	$ 1,500	$ 9,383	$ 7,883
Net inc(dec) in market value of investments	-	-	1,145	1,145
Total revenues	1,500	1,500	10,528	9,028
EXPENDITURES				
Economic environment	97,000	97,000	-	97,000
Total expenditures	97,000	97,000	-	97,000
Net change in fund balance	(95,500)	(95,500)	10,528	106,028
Fund Balance - beginning	1,605,330	1,774,978	240,111	(1,534,867)
Restatement	-	-	(2,361)	(2,361)
Fund Balance - ending	$ 1,509,830	$ 1,679,478	$ 248,278	$ (1,431,200)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Legal Services & Relocation
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
General government	$ 156,000	$ 156,000	$ 12,900	$ 143,100
Total expenditures	156,000	156,000	12,900	143,100
Excess (deficiency) of revenues over (under) expenditures	(156,000)	(156,000)	(12,900)	143,100
OTHER FINANCING SOURCES (USES)				
Transfers in	156,000	156,000	152,168	(3,832)
Total other financing sources (uses)	156,000	156,000	152,168	(3,832)
Net change in fund balance	-	-	139,268	139,268
Fund Balance - beginning	-	-	300,863	300,863
Fund Balance - ending	$ -	$ -	$ 440,131	$ 440,131

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Rental Rehabilitation Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ 51,000	$ 51,000	$ 24,151	$ (26,849)
Net inc(dec) in market value of investments	-	-	90	90
Total revenues	51,000	51,000	24,241	(26,759)
EXPENDITURES				
Economic environment	238,152	238,152	6,187	231,965
Total expenditures	238,152	238,152	6,187	231,965
Net change in fund balance	(187,152)	(187,152)	18,054	205,206
Fund Balance - beginning	(78,069)	(909,581)	2,618,002	3,527,583
Restatement	-	-	(77)	(77)
Fund Balance - ending	$ (265,221)	$ (1,096,733)	$ 2,635,979	$ 3,732,712

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Residential Rental Property Mitigation
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 76,456	$ 76,456	$ 44,634	$ (31,822)
Total revenues	76,456	76,456	44,634	(31,822)
EXPENDITURES				
Economic environment	76,456	76,456	793	75,663
Total expenditures	76,456	76,456	793	75,663
Net change in fund balance	-	-	43,841	43,841
Fund Balance - beginning	-	-	54,088	54,088
Fund Balance - ending	$ -	$ -	$ 97,929	$ 97,929

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Trial Court Improvement
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ 65,000	$ 65,000	$ 63,808	$ (1,192)
Total revenues	65,000	65,000	63,808	(1,192)
OTHER FINANCING SOURCES (USES)				
Transfers out	(65,000)	(65,000)	(65,000)	-
Total other financing sources (uses)	(65,000)	(65,000)	(65,000)	-
Net change in fund balance	-	-	(1,192)	(1,192)
Fund Balance - beginning	(7,888)	(7,888)	1,542	9,430
Fund Balance - ending	$ (7,888)	$ (7,888)	$ 350	$ 8,238

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Criminal Justice Assistance Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 4,665,000	$ 4,665,000	$ 4,630,780	$ (34,220)
Intergovernmental	1,902,880	1,902,880	2,507,209	604,329
Miscellaneous	-	-	18,418	18,418
Net inc(dec) in market value of investments	-	-	33,426	33,426
Total revenues	6,567,880	6,567,880	7,189,833	621,953
EXPENDITURES				
General government	150,000	180,000	175,393	4,607
Public safety	8,623,449	10,593,449	9,503,468	1,089,981
Principal	-	-	1,346,166	(1,346,166)
Interest	-	-	135,019	(135,019)
Total expenditures	8,773,449	10,773,449	11,160,046	(386,597)
Excess (deficiency) of revenues over (under) expenditures	(2,205,569)	(4,205,569)	(3,970,213)	235,356
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,000,000	2,000,000	-
Total other financing sources (uses)	-	2,000,000	2,000,000	-
Net change in fund balance	(2,205,569)	(2,205,569)	(1,970,213)	235,356
Fund Balance - beginning	(11,429,559)	(18,336,152)	2,324,964	20,661,116
Restatement	-	-	(304)	(304)
Fund Balance - ending	$ (13,635,128)	$ (20,541,721)	$ 354,447	$ 20,896,168

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Community Safety Sales Tax
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 4,513,000	$ 4,513,000	$ 4,522,616	$ 9,616
Total revenues	4,513,000	4,513,000	4,522,616	9,616
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,513,000)	(4,513,000)	(4,522,616)	(9,616)
Total other financing sources (uses)	(4,513,000)	(4,513,000)	(4,522,616)	(9,616)
Net change in fund balance	-	-	-	-
Fund Balance - beginning	-	-	-	-
Fund Balance - ending	$ -	$ -	$ -	$ -

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Transportation Benefit District
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 3,250,000	$ 3,250,000	$ 3,173,573	$ (76,427)
Miscellaneous	-	-	(51,056)	(51,056)
Net inc(dec) in market value of investments	-	-	3,655	3,655
Total revenues	3,250,000	3,250,000	3,126,172	(123,828)
EXPENDITURES				
Transportation	3,538,160	4,248,895	2,859,854	1,389,041
Capital outlays	1,075,000	1,075,000	49,231	1,025,769
Total expenditures	4,613,160	5,323,895	2,909,085	2,414,810
Net change in fund balance	(1,363,160)	(2,073,895)	217,087	2,290,982
Fund Balance - beginning	(8,322,719)	(23,603,058)	2,127,626	25,730,684
Restatement	-	-	(45,963)	(45,963)
Fund Balance - ending	$ (9,685,879)	$ (25,676,953)	$ 2,298,750	$ 27,975,703

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Cable TV Equipment Reserve Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 252,000	$ 252,000	$ 250,000	$ (2,000)
Net inc(dec) in market value of investments	-	-	1	1
Total revenues	252,000	252,000	250,001	(1,999)
EXPENDITURES				
General government	192,000	199,893	128,914	70,979
Capital outlays	60,000	100,422	52,307	48,115
Total expenditures	252,000	300,315	181,221	119,094
Net change in fund balance	-	(48,315)	68,780	117,095
Fund Balance - beginning	506,597	381,289	704,218	322,929
Fund Balance - ending	$ 506,597	$ 332,974	$ 772,998	$ 440,024

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Defined Contribution Administration Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Charges for services	$ 75,000	$ 75,000	$ 2,500	$ (72,500)
Total revenues	75,000	75,000	2,500	(72,500)
EXPENDITURES				
General government	69,206	69,206	50,089	19,117
Total expenditures	69,206	69,206	50,089	19,117
Net change in fund balance	5,794	5,794	(47,589)	(53,383)
Fund Balance - beginning	85,568	85,568	95,666	10,098
Fund Balance - ending	$ 91,362	$ 91,362	$ 48,077	$ (43,285)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 49,180,949	$ 49,180,949	$ 47,959,305	$ (1,221,644)
Licenses and permits	1,070,896	1,070,896	1,445,666	374,770
Intergovernmental	69,118,807	107,523,467	48,719,112	(58,804,355)
Charges for services	14,381,606	15,424,735	15,516,314	91,579
Fines and forfeitures	5,654,143	5,654,143	4,976,269	(677,874)
Miscellaneous	10,613,797	11,164,839	9,523,807	(1,641,032)
Net inc(dec) in market value of investments	-	-	380,286	380,286
Total revenues	150,020,198	190,019,029	128,520,759	(61,498,270)
EXPENDITURES				
General government	5,616,782	8,351,760	5,002,828	3,348,932
Public safety	19,178,827	24,718,770	22,083,333	2,635,437
Transportation	31,406,798	34,026,700	29,927,671	4,099,029
Economic environment	39,591,896	64,030,233	17,375,803	46,654,430
Social services	42,489,249	79,771,135	30,117,884	49,653,251
Culture and recreation	27,006,610	30,162,443	25,903,723	4,258,720
Capital outlays	12,371,179	20,956,415	4,497,851	16,458,564
Principal	-	-	1,847,775	(1,847,775)
Interest	300	300	195,525	(195,225)
Total expenditures	177,661,641	262,017,756	136,952,393	125,065,363
Excess (deficiency) of revenues over (under) expenditures	(27,641,443)	(71,998,727)	(8,431,634)	63,567,093
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	34,125	34,125	56,005	21,880
Lease proceeds (as lessee)	-	-	295,353	295,353
Transfers in	25,778,142	27,778,142	25,178,319	(2,599,823)
Transfers out	(16,784,446)	(19,668,834)	(14,706,595)	4,962,239
Total other financing sources (uses)	9,027,821	8,143,433	10,823,082	2,679,649
Net change in fund balance	(18,613,622)	(63,855,294)	2,391,448	66,246,742
Fund Balance - beginning	17,831,054	(212,412,194)	84,395,782	296,807,976
Restatement	-	-	(626)	(626)
Fund Balance - ending	$ (782,568)	$ (276,267,488)	$ 86,786,604	$ 363,054,092

Nonmajor
Debt Service Funds

Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities. Debt Service Funds are described below.

GO Bond Redemption Fund
The G O Bond Redemption Fund accounts for principal and interest payments on the City's entire outstanding unlimited general obligation bonds. Also, some limited general obligation bond principal and interest are paid by this fund.

Special Assessment Debt Fund
The Special Assessment Debt Fund accounts for principal and interest payments on all local improvement district bonds after an improvement project is completed.

Special Assessment Guaranty Fund
The Special Assessment Guaranty Fund guarantees the payment of local improvement bonds and warrants issued to pay for local improvements made.

Iron Bridge TIF (Tax Increment Financing) Fund
The Iron Bridge TIF Fund accounts for deposited property taxes related to improved property contained in the Iron Bridge Tax Increment Financing District. The resources will be used pay general long-term debt principal and interest related to the district.

University District LRF (Local Revitalization Financing) Fund
The University District LRF Debt Service Fund accounts for sales taxes received as part of the interlocal agreement with the State of Washington for the University District revitalization area. These taxes are restricted for the purpose of debt service on related infrastructure in the revitalization area.

City of Spokane, Washington
Combining Balance Sheet
Non Major Debt Service Funds
December 31, 2025

	GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University District Local Revitalization	Total
ASSETS						
Cash and cash equivalents	$ 1,289,795	$ 25,523	$ 196,163	$ 29,788	$ 336,944	$ 1,878,213
Equity in pooled investments	5,168,750	50,285	386,477	94,614	663,840	6,363,966
Taxes receivable	324,384	-	-	-	-	324,384
Special assessment receivable	-	122,195	-	-	-	122,195
Interest receivable	185	-	-	-	-	185
Interfund loan receivable	134,817	-	-	1,849	-	136,666
Advances to other funds	252,268	-	-	3,460	-	255,728
Total Assets	7,170,199	198,003	582,640	129,711	1,000,784	9,081,337
LIABILITIES						
Liabilities:						
Due to other funds	55,908	3,218	194	22	-	59,342
Other current liabilities	-	633	-	-	-	633
Total Liabilities	55,908	3,851	194	22	-	59,975
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	284,062	-	-	-	-	284,062
Unavailable Revenues Special Assessments	-	122,195	-	-	-	122,195
Total deferred inflows of resources	284,062	122,195	-	-	-	406,257
FUND BALANCE						
Restricted - debt service	6,830,229	71,957	582,446	129,689	1,000,784	8,615,105
Total Fund Balance	6,830,229	71,957	582,446	129,689	1,000,784	8,615,105
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 7,170,199	$ 198,003	$ 582,640	$ 129,711	$ 1,000,784	$ 9,081,337

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Debt Service Funds
For the Fiscal Year Ended December 31, 2025

	GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University Local Revitalization	Total
REVENUES						
Taxes	$ 10,795,808	$ -	$ -	$ 154,279	$ 250,000	$ 11,200,087
Miscellaneous	112,219	16,079	-	399	-	128,697
Net inc(dec) in market value of investments	68,097	-	-	1,020	-	69,117
Total Revenues	10,976,124	16,079	-	155,698	250,000	11,397,901
EXPENDITURES						
Current:						
General government	-	172	-	-	-	172
Economic environment	-	96,811	-	101,700	224,280	422,791
Debt service:						
Principal	9,079,200	-	-	-	-	9,079,200
Interest	7,107,948	-	-	-	-	7,107,948
Total Expenditures	16,187,148	96,983	-	101,700	224,280	16,610,111
Excess of Revenues Over (Under) Expenditures	(5,211,024)	(80,904)	-	53,998	25,720	(5,212,210)
OTHER FINANCING SOURCES (USES)						
Transfers in	5,435,431	-	-	-	-	5,435,431
Total Other Financing Sources (Uses)	5,435,431	-	-	-	-	5,435,431
Net Change in Fund Balance	224,407	(80,904)	-	53,998	25,720	223,221
Fund Balance - beginning of year, as previously presented	6,647,146	152,861	582,640	75,713	975,064	8,433,424
Restatement	(41,324)	-	(194)	(22)	-	(41,540)
Fund Balance - beginning of year, as restated	6,605,822	152,861	582,446	75,691	975,064	8,391,884
Fund Balances - ending	$ 6,830,229	$ 71,957	$ 582,446	$ 129,689	$ 1,000,784	$ 8,615,105

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
GO Bond Redemption Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 11,060,775	$ 11,060,775	$ 10,795,808	$ (264,967)
Miscellaneous	87,000	87,000	112,219	25,219
Net inc(dec) in market value of investments	-	-	68,097	68,097
Total revenues	11,147,775	11,147,775	10,976,124	(171,651)
EXPENDITURES				
Debt service:				
Principal	9,079,200	9,079,200	9,079,200	-
Interest	7,107,007	7,107,007	7,107,948	(941)
Total expenditures	16,186,207	16,186,207	16,187,148	(941)
Excess (deficiency) of revenues over (under) expenditures	(5,038,432)	(5,038,432)	(5,211,024)	(172,592)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,435,432	5,435,432	5,435,431	(1)
Total other financing sources (uses)	5,435,432	5,435,432	5,435,431	(1)
Net change in fund balance	397,000	397,000	224,407	(172,593)
Fund Balance - beginning	8,105,564	7,441,936	6,647,146	(794,790)
Restatement	-	-	(41,324)	(41,324)
Fund Balance - ending	$ 8,502,564	$ 7,838,936	$ 6,830,229	$ (1,008,707)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Assessment Debt Service Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	$ 125,000	$ 125,000	$ 16,079	$ (108,921)
Total revenues	125,000	125,000	16,079	(108,921)
EXPENDITURES				
General government	40,000	40,000	172	39,828
Economic environment	-	-	96,811	(96,811)
Principal	5,000	5,000	-	5,000
Interest	2,000	2,000	-	2,000
Total expenditures	47,000	47,000	96,983	(49,983)
Excess (deficiency) of revenues over (under) expenditures	78,000	78,000	(80,904)	(158,904)
OTHER FINANCING SOURCES (USES)				
Transfers out	(96,812)	(96,812)	-	96,812
Total other financing sources (uses)	(96,812)	(96,812)	-	96,812
Net change in fund balance	(18,812)	(18,812)	(80,904)	(62,092)
Fund Balance - beginning	1,302,943	1,302,943	152,861	(1,150,082)
Fund Balance - ending	$ 1,284,131	$ 1,284,131	$ 71,957	$ (1,212,174)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Assessment Guaranty Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
General government	$ 8,000	$ 8,000	$ -	$ 8,000
Total expenditures	8,000	8,000	-	8,000
Net change in fund balance	(8,000)	(8,000)	-	8,000
Fund Balance - beginning	530,884	518,081	582,640	64,559
Restatement	-	-	(194)	(194)
Fund Balance - ending	$ 522,884	$ 510,081	$ 582,446	$ 72,365

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Iron Bridge Tax Increment Financing Debt Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 103,761	$ 103,761	$ 154,279	$ 50,518
Miscellaneous	-	-	399	399
Net inc(dec) in market value of investments	-	-	1,020	1,020
Total revenues	103,761	103,761	155,698	51,937
EXPENDITURES				
Economic environment	-	-	101,700	(101,700)
Total expenditures	-	-	101,700	(101,700)
Excess (deficiency) of revenues over (under) expenditures	103,761	103,761	53,998	(49,763)
OTHER FINANCING SOURCES (USES)				
Transfers out	(101,361)	(101,361)	-	101,361
Total other financing sources (uses)	(101,361)	(101,361)	-	101,361
Net change in fund balance	2,400	2,400	53,998	51,598
Fund Balance - beginning	45,557	45,357	75,713	30,356
Restatement	-	-	(22)	(22)
Fund Balance - ending	$ 47,957	$ 47,757	$ 129,689	$ 81,932

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
University District Local Revitalization Debt Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 250,000	$ 250,000	$ 250,000	$ -
Total revenues	250,000	250,000	250,000	-
EXPENDITURES				
Economic environment	-	-	224,280	(224,280)
Total expenditures	-	-	224,280	(224,280)
Excess (deficiency) of revenues over (under) expenditures	250,000	250,000	25,720	(224,280)
OTHER FINANCING SOURCES (USES)				
Transfers out	(224,281)	(224,281)	-	224,281
Total other financing sources (uses)	(224,281)	(224,281)	-	224,281
Net change in fund balance	25,719	25,719	25,720	1
Fund Balance - beginning	912,385	912,384	975,064	62,680
Fund Balance - ending	$ 938,104	$ 938,103	$ 1,000,784	$ 62,681

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 11,414,536	$ 11,414,536	$ 11,200,087	$ (214,449)
Miscellaneous	212,000	212,000	128,697	(83,303)
Net inc(dec) in market value of investments	-	-	69,117	69,117
Total revenues	11,626,536	11,626,536	11,397,901	(228,635)
EXPENDITURES				
General government	48,000	48,000	172	47,828
Economic environment	-	-	422,791	(422,791)
Debt service:				
Principal	9,084,200	9,084,200	9,079,200	5,000
Interest	7,109,007	7,109,007	7,107,948	1,059
Total expenditures	16,241,207	16,241,207	16,610,111	(368,904)
Excess (deficiency) of revenues over (under) expenditures	(4,614,671)	(4,614,671)	(5,212,210)	(597,539)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,435,432	5,435,432	5,435,431	(1)
Transfers out	(422,454)	(422,454)	-	422,454
Total other financing sources (uses)	5,012,978	5,012,978	5,435,431	422,453
Net change in fund balance	398,307	398,307	223,221	(175,086)
Fund Balance - beginning	10,897,333	10,220,701	8,433,424	(1,787,277)
Restatement	-	-	(41,540)	(41,540)
Fund Balance - ending	$ 11,295,640	$ 10,619,008	$ 8,615,105	$ (2,003,903)

Nonmajor
Capital Project Funds

Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of City facilities and road infrastructure. Capital Projects Funds are described below.

Real Estate Excise Tax Fund
The Real Estate Excise Tax Fund accounts for excise tax proceeds used for financing capital projects specified in a capital facilities plan element of a comprehensive plan developed under the Growth Management Act.

Capital Projects 2015 Park Fund
The Capital Projects 2015 Park fund accounts for monies received from proceeds of bonds to finance improvements to Riverfront Park, including infrastructure repair, safety enhancements, modern community event space and other improvements.

General Capital Improvement Fund
The General Capital Improvement Fund is used a reserve for general government capital repairs and maintenance projects.

Arterial Street Fund
The Arterial Street Fund accounts for all applicable state gas tax monies allocated to the City, funds contributed by the City, and any other funds that may from time to time be authorized to be placed therein. The fund will be used exclusively for the construction, improvement, and repair of the arterial streets and for any other legally approved street in the City.

Capital Improvement 1995 Fund
The Capital Improvements - 1995 Fund accounts for monies received from bond proceeds to be used for improvements to the City's Entertainment Facilities and for the construction and installation of a Geographic Information System.

Kendall Yards TIF (Tax Increment Financing) Fund
The Kendall Yards TIF Fund accumulates property taxes related to improved property contained in the Kendall Yards Sub-Area of the West Quadrant Tax Increment Area. These funds will be accumulated to pay for public infrastructure improvements in the Sub-Area.

West Quadrant TIF (Tax Increment Financing) Fund
The West Quadrant TIF Fund accumulates property taxes related to improved property contained in the West Quadrant Tax Increment Area, other than property in the Kendall Yards Sub-Area. These funds will be accumulated to pay for public infrastructure improvements in the Area.

University District LRF (Local Revitalization Financing) Fund
The University District LRF Capital Projects Fund accounts for monies received from bond proceeds, as well as incremental sales and property taxes in the University District Local Revitalization Area. These funds are used to pay for public infrastructure improvements in the Area.

Beacon Hill TIF (Tax Increment Financing) Fund
The Beacon Hill TIF Fund accumulates property taxes related to improved property contained in the Beacon Hill Tax Increment Area. These funds will be accumulated to pay for public infrastructure improvements in the Area.

2018 UTGO Library Capital Bond Fund
The 2018 UTGO Library Capital Bond Fund accounts for monies received from bond proceeds to be used for library construction and improvements.

City of Spokane, Washington
Combining Balance Sheet
Non Major Capital Projects Funds
December 31, 2025

	Real Estate Excise Tax	Capital Improvements 2015 Park	General Capital Improvements	Arterial Street	Capital Improvements 1995
ASSETS					
Cash and cash equivalents	$ 2,040,277	$ -	$ 23,631	$ 681,452	$ 13,729
Equity in pooled investments	9,635,860	-	46,558	23,581,570	27,049
Taxes receivable	760,804	-	-	216,834	-
Accounts receivable	-	-	-	79,855	-
Interest receivable	3,178	-	-	12,186	-
Due from other funds	-	-	-	6,836,937	-
Interfund loan receivable	288,152	-	-	1,141,033	-
Due from other governments	-	-	-	3,014,484	-
Advances to other funds	539,186	-	-	2,135,088	-
Total Assets	13,267,457	-	70,189	37,699,439	40,778
LIABILITIES					
Liabilities:					
Accounts/vouchers payable	-	-	-	412,909	-
Due to other funds	8,048,526	-	-	633,401	-
Other current liabilities	-	-	-	339,648	-
Total Liabilities	8,048,526	-	-	1,385,958	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue Property Taxes	-	-	-	-	-
Unavailable Revenues Impact Fees	-	-	-	4,188,512	-
Unavailable Revenues Other	-	-	-	35,261	-
Total Deferred Inflows of Resources	-	-	-	4,223,773	-
FUND BALANCE					
Restricted - capital projects	5,218,931	-	70,189	30,531,515	40,778
Restricted - impact fees	-	-	-	1,558,193	-
Total Fund Balance	5,218,931	-	70,189	32,089,708	40,778
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 13,267,457	$ -	$ 70,189	$ 37,699,439	$ 40,778

City of Spokane, Washington
Combining Balance Sheet
Non Major Capital Projects Funds
December 31, 2025
(Continued)

	Kendall Yards Tax Increment Financing	West Quadrant Tax Increment Financing	University District Local Revitalization	Beacon Hill Tax Increment Financing	2018 UTGO Library Capital Bond
ASSETS					
Cash and cash equivalents	$ -	$ 816,628	$ 336,762	$ 47,720	$ 8,804
Equity in pooled investments	-	1,608,907	663,483	94,018	17,345
Taxes receivable	3,866	41,423	8,291	2,275	-
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total Assets	3,866	2,466,958	1,008,536	144,013	26,149
LIABILITIES					
Liabilities:					
Accounts/vouchers payable	-	66,632	-	-	-
Due to other funds	-	17,931	-	-	-
Other current liabilities	-	-	-	-	-
Total Liabilities	-	84,563	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue Property Taxes	700	39,246	7,076	2,275	-
Unavailable Revenues Impact Fees	-	-	-	-	-
Unavailable Revenues Other	-	-	-	-	-
Total Deferred Inflows of Resources	700	39,246	7,076	2,275	-
FUND BALANCE					
Restricted - capital projects	3,166	2,343,149	1,001,460	141,738	26,149
Restricted - impact fees	-	-	-	-	-
Total Fund Balance	3,166	2,343,149	1,001,460	141,738	26,149
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,866	$ 2,466,958	$ 1,008,536	$ 144,013	$ 26,149

City of Spokane, Washington
Combining Balance Sheet
Non Major Capital Projects Funds
December 31, 2025
(Continued)

	Total
ASSETS	
Cash and cash equivalents	$ 3,969,003
Equity in pooled investments	35,674,790
Taxes receivable	1,033,493
Accounts receivable	79,855
Interest receivable	15,364
Due from other funds	6,836,937
Interfund loan receivable	1,429,185
Due from other governments	3,014,484
Advances to other funds	2,674,274
Total Assets	54,727,385
LIABILITIES	
Liabilities:	
Accounts/vouchers payable	479,541
Due to other funds	8,699,858
Other current liabilities	339,648
Total Liabilities	9,519,047
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue Property Taxes	49,297
Unavailable Revenues Impact Fees	4,188,512
Unavailable Revenues Other	35,261
Total Deferred Inflows of Resources	4,273,070
FUND BALANCE	
Restricted - capital projects	39,377,075
Restricted - impact fees	1,558,193
Total Fund Balance	40,935,268
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 54,727,385

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Capital Projects Funds
For the Fiscal Year Ended December 31, 2025

	Real Estate Excise Tax	Capital Improvements 2015 Park	General Capital Improvements	Arterial Street	Capital Improvements 1995	Kendall Yards Tax Increment Financing
REVENUES						
Taxes	$ 8,621,704	$ -	$ -	$ -	$ -	$ 471,645
Licenses and permits	-	-	-	1,000	-	-
Intergovernmental	-	-	-	11,412,301	-	-
Charges for services	-	-	-	6,749,019	-	-
Miscellaneous	320,869	-	-	841,783	-	-
Net inc(dec) in market value of investments	259,168	-	-	398,654	-	-
Total Revenues	9,201,741	-	-	19,402,757	-	471,645
EXPENDITURES						
Current:						
Transportation	-	-	-	8,209,891	-	-
Economic environment	-	-	-	625,000	-	-
Capital outlays	-	14,808	2,457	15,439,041	-	-
Debt service:						
Principal	-	-	-	-	-	459,057
Interest	-	-	-	-	-	9,885
Total Expenditures	-	14,808	2,457	24,273,932	-	468,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,201,741	(14,808)	(2,457)	(4,871,175)	-	2,703
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	17,877,596	-	-
Transfers out	(10,015,760)	-	-	(5,435,431)	-	-
Total Other Financing Sources (Uses)	(10,015,760)	-	-	12,442,165	-	-
Net Change in Fund Balance	(814,019)	(14,808)	(2,457)	7,570,990	-	2,703
Fund Balance - beginning of year, as previously presented	6,219,586	14,808	72,646	24,631,990	40,778	463
Restatement	(186,636)	-	-	(113,272)	-	-
Fund Balance - beginning of year, as restated	6,032,950	14,808	72,646	24,518,718	40,778	463
Fund Balance - ending	$ 5,218,931	$ -	$ 70,189	$ 32,089,708	$ 40,778	$ 3,166

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non Major Capital Projects Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	West Quadrant Tax Increment Financing	University District Local Revitalization	Beacon Hill Tax Increment Financing	2018 UTGO Library Capital Bond	Total
REVENUES					
Taxes	$ 653,437	$ 283,895	$ 141,738	$ -	$ 10,172,419
Licenses and permits	-	-	-	-	1,000
Intergovernmental	-	-	-	-	11,412,301
Charges for services	-	-	-	-	6,749,019
Miscellaneous	-	-	-	-	1,162,652
Net inc(dec) in market value of investments	-	-	-	-	657,822
Total Revenues	653,437	283,895	141,738	-	30,155,213
EXPENDITURES					
Current:					
Transportation	91,496	-	-	-	8,301,387
Economic environment	500,000	-	-	-	1,125,000
Capital outlays	-	-	-	692,920	16,149,226
Debt service:					
Principal	-	-	-	-	459,057
Interest	38	-	-	-	9,923
Total Expenditures	591,534	-	-	692,920	26,044,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,903	283,895	141,738	(692,920)	4,110,620
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	17,877,596
Transfers out	(17,931)	-	-	-	(15,469,122)
Total Other Financing Sources (Uses)	(17,931)	-	-	-	2,408,474
Net Change in Fund Balance	43,972	283,895	141,738	(692,920)	6,519,094
Fund Balance - beginning of year, as previously presented	2,299,177	717,565	-	719,069	34,716,082
Restatement	-	-	-	-	(299,908)
Fund Balance - beginning of year, as restated	2,299,177	717,565	-	719,069	34,416,174
Fund Balance - ending	$ 2,343,149	$ 1,001,460	$ 141,738	$ 26,149	$ 40,935,268

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Real Estate Excise Tax
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 8,400,000	$ 8,400,000	$ 8,621,704	$ 221,704
Miscellaneous	413,000	413,000	320,869	(92,131)
Net inc(dec) in market value of investments	-	-	259,168	259,168
Total revenues	8,813,000	8,813,000	9,201,741	388,741
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,732,750)	(18,109,562)	(10,015,760)	8,093,802
Total other financing sources (uses)	(13,732,750)	(18,109,562)	(10,015,760)	8,093,802
Net change in fund balance	(4,919,750)	(9,296,562)	(814,019)	8,482,543
Fund Balance - beginning	(10,683,951)	(49,211,507)	6,219,586	55,431,093
Restatement	-	-	(186,636)	(186,636)
Fund balance - ending	$ (15,603,701)	$ (58,508,069)	$ 5,218,931	$ 63,727,000

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Capital Improvements 2015 Park
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Capital outlays	$ -	$ 14,809	$ 14,808	$ 1
Total expenditures	-	14,809	14,808	1
Net change in fund balance	-	(14,809)	(14,808)	1
Fund Balance - beginning	6,717,574	(32,001,675)	14,808	32,016,483
Fund balance - ending	$ 6,717,574	$ (32,016,484)	$ -	$ 32,016,484

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 1,259,925	$ -	$ (1,259,925)
Total revenues	-	1,259,925	-	(1,259,925)
EXPENDITURES				
Capital outlays	20,226	1,280,153	2,457	1,277,696
Total expenditures	20,226	1,280,153	2,457	1,277,696
Net change in fund balance	(20,226)	(20,228)	(2,457)	17,771
Fund Balance - beginning	(115,326)	(204,639)	72,646	277,285
Fund balance - ending	$ (135,552)	$ (224,867)	$ 70,189	$ 295,056

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Arterial Street Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	$ 1,000	$ 1,000	$ 1,000	$ -
Intergovernmental	32,336,745	37,169,633	11,412,301	(25,757,332)
Charges for services	1,240,500	1,446,569	6,749,019	5,302,450
Miscellaneous	593,000	593,000	841,783	248,783
Net inc(dec) in market value of investments	-	-	398,654	398,654
Total revenues	34,171,245	39,210,202	19,402,757	(19,807,445)
EXPENDITURES				
Transportation	5,914,000	8,727,729	8,209,891	517,838
Economic environment	-	625,000	625,000	-
Capital outlays	49,510,995	57,523,927	15,439,041	42,084,886
Total expenditures	55,424,995	66,876,656	24,273,932	42,602,724
Excess (deficiency) revenues over (under) expenditures	(21,253,750)	(27,666,454)	(4,871,175)	22,795,279
OTHER FINANCING SOURCES (USES)				
Transfers in	25,323,409	29,490,860	17,877,596	(11,613,264)
Transfers out	(5,435,432)	(5,435,432)	(5,435,431)	1
Total other financing sources (uses)	19,887,977	24,055,428	12,442,165	(11,613,263)
Net change in fund balance	(1,365,773)	(3,611,026)	7,570,990	11,182,016
Fund Balance - beginning	111,874	(77,295,839)	24,631,990	101,927,829
Restatement	-	-	(113,272)	(113,272)
Fund balance - ending	$ (1,253,899)	$ (80,906,865)	$ 32,089,708	$ 112,996,573

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Capital Improvements 1995 Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Capital outlays	$ 40,778	$ 40,778	$ -	$ 40,778
Total expenditures	40,778	40,778	-	40,778
Net change in fund balance	(40,778)	(40,778)	-	40,778
Fund Balance - beginning	(244,668)	(244,668)	40,778	285,446
Fund balance - ending	$ (285,446)	$ (285,446)	$ 40,778	$ 326,224

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Kendall Yards Tax Increment Financing Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 490,000	$ 490,000	$ 471,645	$ (18,355)
Total revenues	490,000	490,000	471,645	(18,355)
EXPENDITURES				
Principal	480,000	480,000	459,057	20,943
Interest	10,000	10,000	9,885	115
Total expenditures	490,000	490,000	468,942	21,058
Net change in fund balance	-	-	2,703	2,703
Fund Balance - beginning	112,541	112,541	463	(112,078)
Fund balance - ending	$ 112,541	$ 112,541	$ 3,166	$ (109,375)

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
West Quadrant Tax Increment Financing Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 681,000	$ 681,000	$ 653,437	$ (27,563)
Total revenues	681,000	681,000	653,437	(27,563)
EXPENDITURES				
Transportation	-	355,660	91,496	264,164
Economic environment	-	500,000	500,000	-
Capital outlays	2,297,667	1,977,667	-	1,977,667
Interest	-	-	38	(38)
Total expenditures	2,297,667	2,833,327	591,534	2,241,793
Excess (deficiency) revenues over (under) expenditures	(1,616,667)	(2,152,327)	61,903	2,214,230
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(17,931)	(17,931)
Total other financing sources (uses)	-	-	(17,931)	(17,931)
Net change in fund balance	(1,616,667)	(2,152,327)	43,972	2,196,299
Fund Balance - beginning	(4,804,416)	(5,856,416)	2,299,177	8,155,593
Fund balance - ending	$ (6,421,083)	$ (8,008,743)	$ 2,343,149	$ 10,351,892

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
University District Local Revitalization Fund
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 264,000	$ 264,000	$ 283,895	$ 19,895
Total revenues	264,000	264,000	283,895	19,895
EXPENDITURES				
Economic environment	723,000	723,000	-	723,000
Total expenditures	723,000	723,000	-	723,000
Net change in fund balance	(459,000)	(459,000)	283,895	742,895
Fund Balance - beginning	(736,376)	(881,376)	717,565	1,598,941
Fund balance - ending	$ (1,195,376)	$ (1,340,376)	$ 1,001,460	$ 2,341,836

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Beacon Hill Tax Increment Financing
For the Year Ended December 31, 2025

	Actual	Variance with Final Budget-Positive (Negative)
REVENUES		
Taxes	$ 141,738	$ 141,738
Total revenues	141,738	141,738
Net change in fund balance	141,738	141,738
Fund Balance - beginning	-	-
Fund balance - ending	$ 141,738	$ 141,738

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
2018 UTGO Library Capital Bond
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Capital outlays	$ -	$ 719,137	$ 692,920	$ 26,217
Total expenditures	-	719,137	692,920	26,217
Net change in fund balance	-	(719,137)	(692,920)	26,217
Fund Balance - beginning	(116,264,736)	(167,740,993)	719,069	168,460,062
Fund balance - ending	$ (116,264,736)	$ (168,460,130)	$ 26,149	$ 168,486,279

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2025

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	$ 9,835,000	$ 9,835,000	$ 10,172,419	$ 337,419
Licenses and permits	1,000	1,000	1,000	-
Intergovernmental	32,336,745	38,429,558	11,412,301	(27,017,257)
Charges for services	1,240,500	1,446,569	6,749,019	5,302,450
Miscellaneous	1,006,000	1,006,000	1,162,652	156,652
Net inc(dec) in market value of investments	-	-	657,822	657,822
Total revenues	44,419,245	50,718,127	30,155,213	(20,562,914)
EXPENDITURES				
Transportation	5,914,000	9,083,389	8,301,387	782,002
Economic environment	723,000	1,848,000	1,125,000	723,000
Capital outlays	51,869,666	61,556,471	16,149,226	45,407,245
Principal	480,000	480,000	459,057	20,943
Interest	10,000	10,000	9,923	77
Total expenditures	58,996,666	72,977,860	26,044,593	46,933,267
Excess (deficiency) revenues over (under) expenditures	(14,577,421)	(22,259,733)	4,110,620	26,370,353
OTHER FINANCING SOURCES (USES)				
Transfers in	25,323,409	29,490,860	17,877,596	(11,613,264)
Transfers out	(19,168,182)	(23,544,994)	(15,469,122)	8,075,872
Total other financing sources (uses)	6,155,227	5,945,866	2,408,474	(3,537,392)
Net change in fund balance	(8,422,194)	(16,313,867)	6,519,094	22,832,961
Fund Balance - beginning	(125,907,484)	(333,324,572)	34,716,082	368,040,654
Restatement	-	-	(299,908)	(299,908)
Fund balance - ending	$ (134,329,678)	$ (349,638,439)	$ 40,935,268	$ 390,573,707

Nonmajor
Enterprise Funds

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs.

The Nonmajor Enterprise Funds are described below:

Golf Fund
The Golf Fund accounts for revenues derived from fees, rentals, and other miscellaneous revenue. Expenditures are for the maintenance and operation of the four City-owned golf courses.

Building Services Fund
The Building Services Fund is responsible for ensuring compliance and enforcement of building codes within the City of Spokane.

City of Spokane, Washington
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2025

	Golf	Development Services	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 98,512	$ 131,755	$ 230,267
Equity in pooled investments	1,716,984	2,807,356	4,524,340
Taxes Receivable	-	-	-
Liens Receivable	-	-	-
Accounts receivable	5,467	158,574	164,041
Interest receivable	1,325	1,848	3,173
Due from other funds	50,930	4,083,852	4,134,782
Interfund loan receivable	79,215	131,450	210,665
Due from other governments	1,229	-	1,229
Inventories	130,105	-	130,105
Total current assets	2,083,767	7,314,835	9,398,602
Noncurrent assets:			
Capital assets:			
Land	1,289,224	-	1,289,224
Construction in progress	884,651	982,509	1,867,160
Property, plant, and equipment	15,423,352	3,287,518	18,710,870
Right-to-use leased property, plant, and equipment	664,081	23,382	687,463
Less accumulated depreciation/amortization	(10,903,770)	(3,309,688)	(14,213,458)
Total capital assets	7,357,538	983,721	8,341,259
Other noncurrent assets:			
Advances to other funds	148,227	245,969	394,196
Total noncurrent assets	7,505,765	1,229,690	8,735,455
Total Assets	9,589,532	8,544,525	18,134,057
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	403,013	1,799,923	2,202,936
Opeb Outflows	6,686	20,464	27,150
Total deferred outflows of resouces	409,699	1,820,387	2,230,086
LIABILITIES			
Current Liabilities:			
Accounts payable	445,000	101,279	546,279
Compensated absences	5,668	65,017	70,685
Lease payable	73,067	663	73,730
Lease interest payable	1,116	-	1,116
Due to other funds	248,490	490,011	738,501
Interfund loan payable	26,322	-	26,322
Total opeb liability	1,244	3,749	4,993
Accrued interest	85	-	85
Accrued payroll liabilities	44,370	221,496	265,866
Other current liabilities	174,704	176,665	351,369
Total current liabilities	1,020,066	1,058,880	2,078,946
Noncurrent Liabilities:			
Compensated absences	344,784	1,384,525	1,729,309
Noncurrent lease payable	161,360	-	161,360
Net pension liability	2,014,184	8,995,678	11,009,862
Noncurrent total opeb liability	34,977	105,412	140,389
Total noncurrent liabilities	2,555,305	10,485,615	13,040,920
Total Liabilities	3,575,371	11,544,495	15,119,866

City of Spokane, Washington
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2025

	Golf	Development Services	Total
DEFERRED INFLOWS OF RESOURCES			
Pensions	179,295	800,759	980,054
Opeb	9,429	28,858	38,287
Sale of Future Revenue	83,391	-	83,391
Total deferred inflows of resources	272,115	829,617	1,101,732
NET POSITION			
Net investments in capital assets	7,123,112	983,058	8,106,170
Unrestricted	(971,367)	(2,992,258)	(3,963,625)
Total Net Position	6,151,745	(2,009,200)	4,142,545
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 9,999,231	$ 10,364,912	$ 20,364,143

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2025

	Golf	Development Services	Total
OPERATING REVENUES			
Charges for goods and services	$ 5,984,909	$ 9,411,697	$ 15,396,606
Total operating revenues	5,984,909	9,411,697	15,396,606
OPERATING EXPENSES			
Salaries and wages	1,736,300	6,004,826	7,741,126
Personnel benefits	540,675	1,988,927	2,529,602
Supplies	520,682	74,926	595,608
Services and charges	4,926,899	2,697,785	7,624,684
Depreciation/amortization	580,951	18,139	599,090
Total operating expenses	8,305,507	10,784,603	19,090,110
Operating income (loss)	(2,320,598)	(1,372,906)	(3,693,504)
NONOPERATING REVENUES (EXPENSES)			
Interest income	102,916	246,774	349,690
Net increase (decrease) in fair value of investmen	73,307	247,778	321,085
Gain (loss) on disposition of fixed assets	-	4,950	4,950
Interest expense	(19,132)	(280)	(19,412)
Other nonoperating revenue	959,223	111,223	1,070,446
Total nonoperating revenues (expenses)	1,116,314	610,445	1,726,759
Income (loss) before contributions and transfers	(1,204,284)	(762,461)	(1,966,745)
Capital contributions	-	375,000	375,000
Transfers in	53,698	-	53,698
Transfers out	(16,850)	(80,968)	(97,818)
Change in Net Position	(1,167,436)	(468,429)	(1,635,865)
Net Position - beginning of year, as previously presented	7,345,705	(1,510,499)	5,835,206
Restatement	(26,524)	(30,272)	(56,796)
Net Position - beginning of year, as restated	7,319,181	(1,540,771)	5,778,410
Net Position - ending	$ 6,151,745	$ (2,009,200)	$ 4,142,545

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2025

	Golf	Building Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 5,887,920	$ 5,562,224	$ 11,450,144
Payments to suppliers for services	(5,327,854)	(2,758,789)	(8,086,643)
Payments to employees	(2,113,212)	(7,331,255)	(9,444,467)
Net cash provided (used) by operating activities	(1,553,146)	(4,527,820)	(6,080,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental sources	-	-	-
Other nonoperating sources	959,223	111,223	1,070,446
Transfers in	53,698	-	53,698
Transfers out	(16,850)	-	(16,850)
Net cash provided (used) by noncapital financing activities	996,071	111,223	1,107,294
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from disposal of capital assets	-	4,950	4,950
Proceeds from notes and leases	-	-	-
Acquisition and construction of capital assets	(917,582)	(534,744)	(1,452,326)
Acquisition of right-to-use lease assets	-	-	-
Principal paid on leases	(144,242)	(18,613)	(162,855)
Principal paid on interfund loans	(53,079)	-	(53,079)
Interest paid on leases	(18,447)	(287)	(18,734)
Interest paid on interfund loans	(2,657)	-	(2,657)
Transfers in	-	-	-
Trahsfers out	-	(80,968)	(80,968)
Net cash provided (used) by capital and related financing activities	(1,136,007)	(629,662)	(1,765,669)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(91,931)	(129,289)	(221,220)
Proceeds from sales and maturities of investments	1,389,469	4,787,175	6,176,644
Interest received	176,141	496,278	672,419
Net cash provided (used) by investing activities	1,473,679	5,154,164	6,627,843
Net increase (decrease) in cash and cash equivalents	(219,403)	107,905	(111,498)
Cash and cash equivalents - January 1	317,915	23,850	341,765
Cash and cash equivalents - December 31	$ 98,512	$ 131,755	$ 230,267
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	$ (2,320,598)	$ (1,372,906)	$ (3,693,504)
Adjustments to Reconcile Operating Income			
Depreciation	580,951	18,139	599,090
Change in Assets: Decrease (Increase)			
Receivables, net of allowance	(37,646)	(3,849,473)	(3,887,119)
Inventories	1,749	-	1,749
Change in Deferred Outflows: Decrease (Increase)	124,888	720,732	845,620
Change in Liabilities: Increase (Decrease)			
Payables	32,713	52,006	84,719
Pension	139,639	52,184	191,823
OPEB	6,006	9,227	15,233
Change in Deferred Inflows: (Decrease)Increase	(80,848)	(157,729)	(238,577)
Net Cash provided (used) by operating activities	(1,553,146)	(4,527,820)	**(6,080,966)**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Contributions of capital assets	$ 522,485	$ -	$ 522,485

Internal Service Funds

Internal Service Funds account for City activities that provide goods and services to other City departments on a cost-reimbursement basis. Internal Service Funds are described below:

Fleet Services Fund
The Fleet Services Fund has the responsibility for the maintenance and repair of all City owned vehicles, except Fire department vehicles, and the procurement and disposal of said vehicles and equipment.

Public Works and Utility Fund
The Public Works and Utility Fund has the responsibility of accounting for the billing of the water, sewer, and refuse charges of its customers.

Information Technology Fund
The Information Technology Fund provides data processing services, telephone services, and centralized mailing for all departments of the City.

Reprographics Fund
The City of Spokane Reprographics provides duplication and printing services to all City Departments and includes management of the floor copiers in City Hall.

Purchasing and Stores Fund
The Purchasing and Stores Fund accounts for operations of the Purchasing Stores Department.

Accounting Services Fund
The Accounting Services Fund provides financial consulting, accounting, payroll, and purchasing services for all departments of the City.

My Spokane
The My Spokane Fund is the centralized customer service center for the City, processing services requests and answering customer questions.

Risk Management
The Risk Management Fund accounts for the payment of claims, insurance premiums and risk management administration.

Workers' Compensation Fund
The Workers' Compensation Fund accounts for funds received from other City departments for the payment of benefits provided by State law, insurance, safety programs for the City and administrative expenses of the fund.

Unemployment Insurance Fund
The Unemployment Compensation Fund accounts for the payment of unemployment insurance benefits and for the administrative expenses of the fund.

Employee Benefits Fund
The Employee Benefits Fund provides and administers all benefits for the employees of all departments of the City.

Project Management Office Fund
The Project Management Office Fund provides project management services for other City departments.

Property Acquisition Fund
The Property Acquisition Fund obtains financing, procures property, and services debt related to property for other City departments.

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Purchasing & Contracts
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 58,722	$ 225,809	$ 1,401,198	$ 39,534	$ 69,210
Deposits with fiscal agents	-	-	-	-	-
Equity in pooled investments	6,581,496	444,885	5,203,076	77,890	136,357
Accounts receivable	4,171	769,666	261,410	197	14,184
Interest receivable	3,847	-	1,343	-	-
Due from other funds	4,218,221	61,792	122,147	58,360	9,130
Interfund loan receivable	332,416	-	125,317	-	-
Lease receivable	-	-	189,789	-	-
Lease interest receivable	-	-	2,096	-	-
Due from other governments	2,839	-	19,453	-	-
Inventories	702,688	-	-	10,101	-
Prepaids	-	-	157,631	-	-
Total current assets	11,904,400	1,502,152	7,483,460	186,082	228,881
Noncurrent assets:					
Capital assets:					
Land	-	-	-	-	-
Construction in progress	52,001	-	-	-	-
Property, plant, and equipment	37,615,255	124,264	11,953,599	110,595	5,496
Infrastructure	-	-	2,950,960	-	-
Capitalized software	-	-	4,530,123	-	-
Right-to-use leased property, plant, and equipment	81,134	-	358,194	-	-
Right-to-use subscription	-	-	2,175,510	-	-
Less accumulated depreciation/amortization	(25,397,414)	(124,264)	(16,708,971)	(97,132)	(5,496)
Total capital assets	12,350,976	-	5,259,415	13,463	-
Other noncurrent assets:					
Noncurrent lease receivable	-	-	815,295	-	-
Advances to other funds	622,014	-	234,492	-	-
Total noncurrent assets	12,972,990	-	6,309,202	13,463	-
Total Assets	24,877,390	1,502,152	13,792,662	199,545	228,881
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	1,184,767	541,235	1,702,103	48,525	269,689
Opeb Outflows	35,053	7,294	55,923	3,242	3,647
Total deferred outflows of resources	1,219,820	548,529	1,758,026	51,767	273,336
LIABILITIES					
Current liabilities:					
Accounts payable	948,071	35,971	95,380	1,783	329
Claims and judgments payable	-	-	-	-	-
Compensated absences	69,989	27,943	75,813	-	3,374
Lease payable	5,559	-	69,773	-	-
Subscription payable	-	-	324,000	-	-
Lease interest payable	788	-	888	-	-
Subscription interest payable	-	-	9,190	-	-
Due to other funds	275,941	524,685	682,999	579	55,365
Interfund loan payable	-	-	-	-	-
Total opeb liability	6,440	1,333	10,275	609	687
Accrued interest	-	-	-	-	-
Accrued payroll liabilities	126,392	60,854	199,539	-	32,014
Other current liabilities	7,887	54,834	975	-	-
Total current liabilities	1,441,067	705,620	1,468,832	2,971	91,769

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025
(Continued)

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Purchasing & Contracts
Noncurrent liabilities:					
Compensated absences	533,287	356,387	1,317,662	-	270,384
Noncurrent lease payable	54,748	-	191,324	-	-
Net pension liability	5,921,245	2,704,992	8,506,796	242,521	1,347,853
Noncurrent total opeb liability	181,073	37,476	288,908	17,111	19,304
Total noncurrent liabilities	6,690,353	3,098,855	10,304,690	259,632	1,637,541
Total Liabilities	8,131,420	3,804,475	11,773,522	262,603	1,729,310
DEFERRED INFLOWS OF RESOURCES					
Pensions	527,086	240,788	757,241	21,588	119,981
Opeb	49,429	10,286	78,858	4,571	5,143
Lease related	-	-	1,000,916	-	-
Sale of Future Revenue	-	-	-	-	-
Total deferred inflows of resources	576,515	251,074	1,837,015	26,159	125,124
NET POSITION					
Net investments in capital assets	12,290,669	-	4,674,318	13,463	-
Unrestricted	5,098,606	(2,004,868)	(2,734,167)	(50,913)	(1,352,217)
Total Net Position	17,389,275	(2,004,868)	1,940,151	(37,450)	(1,352,217)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 26,097,210	$ 2,050,681	$ 15,550,688	$ 251,312	$ 502,217

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025
(Continued)

	Accounting Services	My Spokane	Risk Management	Workers' Compensation	Unemployment Insurance
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 262,676	$ 72,992	$ 2,609,805	$ 306,448	$ 334,431
Deposits with fiscal agents	-	-	-	2,689,648	-
Equity in pooled investments	529,195	134,350	10,511,240	7,113,520	1,092,023
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	3,279	3,986	-
Due from other funds	347,318	291,648	7,824	11,016	186
Interfund loan receivable	601	-	305,820	335,412	22,294
Lease receivable	-	-	-	-	-
Lease interest receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaids	-	-	4,674	-	-
Total current assets	1,139,790	498,990	13,442,642	10,460,030	1,448,934
Noncurrent assets:					
Capital assets:					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Property, plant, and equipment	-	-	-	-	-
Infrastructure	-	-	-	-	-
Capitalized software	-	-	-	-	-
Right-to-use leased property, plant, and equipment	-	-	-	-	-
Right-to-use subscription	-	-	-	-	-
Less accumulated depreciation/amortization	-	-	-	-	-
Total capital assets	-	-	-	-	-
Other noncurrent assets:					
Noncurrent lease receivable	-	-	-	-	-
Advances to other funds	1,124	-	572,247	627,619	41,716
Total noncurrent assets	1,124	-	572,247	627,619	41,716
Total Assets	1,140,914	498,990	14,014,889	11,087,649	1,490,650
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	1,191,998	335,990	135,738	86,237	2,722
Opeb Outflows	33,635	608	810	-	-
Total deferred outflows of resources	1,225,633	336,598	136,548	86,237	2,722
LIABILITIES					
Current liabilities:					
Accounts payable	40,787	126	22,220	341,175	959,947
Claims and judgments payable	-	-	9,503,536	8,720,668	-
Compensated absences	90,428	4,459	3,699	8,500	53
Lease payable	-	-	-	-	-
Subscription payable	-	-	-	-	-
Lease interest payable	-	-	-	-	-
Subscription interest payable	-	-	-	-	-
Due to other funds	230,380	375,069	156,286	228,968	461
Interfund loan payable	-	-	-	-	-
Total opeb liability	6,200	111	158	-	-
Accrued interest	-	-	-	-	-
Accrued payroll liabilities	126,213	34,929	7,374	3,675	396
Other current liabilities	-	-	131	209,599	15,315
Total current liabilities	494,008	414,694	9,693,404	9,512,585	976,172

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025
(Continued)

	Accounting Services	My Spokane	Risk Management	Workers' Compensation	Unemployment Insurance
Noncurrent liabilities:					
Compensated absences	933,826	125,825	10,070	15,277	1,627
Noncurrent lease payable	-	-	-	-	-
Net pension liability	5,957,382	1,679,214	678,392	430,997	13,604
Noncurrent total opeb liability	174,315	3,107	4,432	-	-
Total noncurrent liabilities	7,065,523	1,808,146	692,894	446,274	15,231
Total Liabilities	7,559,531	2,222,840	10,386,298	9,958,859	991,403
DEFERRED INFLOWS OF RESOURCES					
Pensions	530,302	149,477	60,388	38,366	1,211
Opeb	47,429	857	1,143	-	-
Lease related	-	-	-	-	-
Sale of Future Revenue	-	-	-	-	-
Total deferred inflows of resources	577,731	150,334	61,531	38,366	1,211
NET POSITION					
Net investments in capital assets	-	-	-	-	-
Unrestricted	(5,770,715)	(1,537,586)	3,703,608	1,176,661	500,758
Total Net Position	(5,770,715)	(1,537,586)	3,703,608	1,176,661	500,758
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 2,366,547	$ 835,588	$ 14,151,437	$ 11,173,886	$ 1,493,372

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025
(Continued)

	Employee Benefits	Project Management Office	Property Acquisition	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 156,254	$ 137,980	$ 2,849,184	$ 8,524,243
Deposits with fiscal agents	432,007	-	16,897	3,138,552
Equity in pooled investments	5,711,875	271,846	5,613,527	43,421,280
Accounts receivable	-	-	12,893	1,062,521
Interest receivable	4,916	-	-	17,371
Due from other funds	15,128	249,419	725,122	6,117,311
Interfund loan receivable	280,085	-	6	1,401,951
Lease receivable	-	-	119,586	309,375
Lease interest receivable	-	-	3,692	5,788
Due from other governments	48	-	54,861	77,201
Inventories	-	-	-	712,789
Prepaids	-	-	-	162,305
Total current assets	6,600,313	659,245	9,395,768	64,950,687
Noncurrent assets:				
Capital assets:				
Land	-	-	6,742,065	6,742,065
Construction in progress	-	-	960,367	1,012,368
Property, plant, and equipment	-	-	75,165,962	124,975,171
Infrastructure	-	-	4,031,317	6,982,277
Capitalized software	-	-	-	4,530,123
Right-to-use leased property, plant, and equipment	-	-	-	439,328
Right-to-use subscription	-	-	-	2,175,510
Less accumulated depreciation/amortization	-	-	(39,308,403)	(81,641,680)
Total capital assets	-	-	47,591,308	65,215,162
Other noncurrent assets:				
Noncurrent lease receivable	-	-	733,619	1,548,914
Advances to other funds	524,091	-	11	2,623,314
Total noncurrent assets	524,091	-	48,324,938	69,387,390
Total Assets	7,124,404	659,245	57,720,706	134,338,077
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	81,645	234,696	415,052	6,230,397
Opeb Outflows	-	608	4,862	145,682
Total deferred outflows of resources	81,645	235,304	419,914	6,376,079
LIABILITIES				
Current liabilities:				
Accounts payable	479,414	14,120	758,218	3,697,541
Claims and judgments payable	2,855,702	-	-	21,079,906
Compensated absences	7,054	2,541	5,967	299,820
Lease payable	-	-	-	75,332
Subscription payable	-	-	-	324,000
Lease interest payable	-	-	-	1,676
Subscription interest payable	-	-	-	9,190
Due to other funds	331,987	430,528	1,093,851	4,387,099
Interfund loan payable	-	-	24,166,899	24,166,899
Total opeb liability	10	124	901	26,848
Accrued interest	-	-	83,609	83,609
Accrued payroll liabilities	10,008	28,127	48,690	678,211
Other current liabilities	12,652	-	10,302	311,695
Total current liabilities	3,696,827	475,440	26,168,437	55,141,826

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2025
(Continued)

	Employee Benefits	Project Management Office	Property Acquisition	Total
Noncurrent liabilities:				
Compensated absences	45,690	128,838	308,749	4,047,622
Noncurrent lease payable	-	-	-	246,072
Net pension liability	408,047	1,172,965	2,074,351	31,138,359
Noncurrent total opeb liability	269	3,500	25,341	754,836
Total noncurrent liabilities	454,006	1,305,303	2,408,441	36,186,889
Total Liabilities	4,150,833	1,780,743	28,576,878	91,328,715
DEFERRED INFLOWS OF RESOURCES				
Pensions	36,323	104,413	184,650	2,771,814
Opeb	-	857	6,857	205,430
Lease related	-	-	843,189	1,844,105
Sale of Future Revenue	-	-	23,367	23,367
Total deferred inflows of resources	36,323	105,270	1,058,063	4,844,716
NET POSITION				
Net investments in capital assets	-	-	47,591,308	64,569,758
Unrestricted	3,018,893	(991,464)	(19,085,629)	(20,029,033)
Total Net Position	3,018,893	(991,464)	28,505,679	44,540,725
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 7,206,049	$ 894,549	$ 58,140,620	$ 140,714,156

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2025

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Purchasing & Contracts
OPERATING REVENUES					
Charges for goods and services	$ 20,310,461	$ 9,227,361	$ 15,053,071	$ 181,427	$ 1,264,361
Total operating revenues	20,310,461	9,227,361	15,053,071	181,427	1,264,361
OPERATING EXPENSES					
Salaries and wages	3,675,491	1,686,667	5,581,864	22,544	917,559
Personnel benefits	1,295,902	579,443	1,652,846	28,704	284,561
Supplies	7,580,911	694,749	444,627	15,466	3,581
Services and charges	7,055,295	6,448,413	5,527,578	(18,692)	270,562
Depreciation/amortization	1,590,592	-	1,946,525	3,847	-
Risk transfer payments	-	-	-	-	-
Claims processing	-	-	-	-	-
Payments to claimants and beneficiaries	-	-	-	-	-
Total operating expenses	21,198,191	9,409,272	15,153,440	51,869	1,476,263
Operating income (loss)	(887,730)	(181,911)	(100,369)	129,558	(211,902)
NONOPERATING REVENUES (EXPENSES)					
Interest income	254,363	-	111,842	-	-
Net increase (decrease) in fair value of investmen	121,822	-	63,384	-	-
Gain (loss) on disposition of fixed assets	30,845	-	-	-	-
Interest expense	(924)	-	(21,646)	-	-
Other nonoperating revenue	15,701	12,050	215,805	2	78,092
Total nonoperating revenues (expenses)	421,807	12,050	369,385	2	78,092
Income (loss) before contributions and transfers	(465,923)	(169,861)	269,016	129,560	(133,810)
Capital contributions	245,888	-	146,916	-	-
Transfers in	-	79,046	-	-	47,319
Transfers out	-	(61,245)	(80,466)	-	-
Change in Net Position	(220,035)	(152,060)	335,466	129,560	(86,491)
Net Position - beginning of year, as previously presented	17,685,295	(1,852,808)	1,643,850	(167,010)	(1,265,726)
Restatement	(75,985)	-	(39,165)	-	-
Net Position - beginning of year, as restated	17,609,310	(1,852,808)	1,604,685	(167,010)	(1,265,726)
Net Position - ending	$ 17,389,275	$ (2,004,868)	$ 1,940,151	$ (37,450)	$ (1,352,217)

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Accounting Services	My Spokane	Risk Management	Workers' Compensation	Unemployment Insurance
OPERATING REVENUES					
Charges for goods and services	$ 5,664,646	$ 1,962,976	$ 7,380,280	$ 5,994,288	$ 385,971
Total operating revenues	5,664,646	1,962,976	7,380,280	5,994,288	385,971
OPERATING EXPENSES					
Salaries and wages	3,511,798	929,514	250,502	105,547	10,535
Personnel benefits	1,164,574	400,395	75,063	40,884	2,912
Supplies	18,969	5,617	597	2,654	-
Services and charges	1,438,627	620,154	826,668	(150,038)	8,277
Depreciation/amortization	-	-	-	-	-
Risk transfer payments	-	-	1,704,389	352,887	-
Claims processing	-	-	266,767	436,565	6,000
Payments to claimants and beneficiaries	-	-	4,945,357	7,118,788	405,256
Total operating expenses	6,133,968	1,955,680	8,069,343	7,907,287	432,980
Operating income (loss)	(469,322)	7,296	(689,063)	(1,912,999)	(47,009)
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,118	-	260,028	334,714	4,826
Net increase (decrease) in fair value of investmen	3,941	-	154,721	221,574	12,298
Gain (loss) on disposition of fixed assets	-	-	-	-	-
Interest expense	-	-	-	-	-
Other nonoperating revenue	202,530	31	8,843	221,845	-
Total nonoperating revenues (expenses)	208,589	31	423,592	778,133	17,124
Income (loss) before contributions and transfers	(260,733)	7,327	(265,471)	(1,134,866)	(29,885)
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(22,295)	(38,510)	-	-	-
Change in Net Position	(283,028)	(31,183)	(265,471)	(1,134,866)	(29,885)
Net Position - beginning of year, as previously presented	(5,487,579)	(1,506,403)	4,066,286	2,448,384	530,975
Restatement	(108)	-	(97,207)	(136,857)	(332)
Net Position - beginning of year, as restated	(5,487,687)	(1,506,403)	3,969,079	2,311,527	530,643
Net Position - ending	$ (5,770,715)	$ (1,537,586)	$ 3,703,608	$ 1,176,661	$ 500,758

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Employee Benefits	Project Management Office	Property Acquisition	Total
OPERATING REVENUES				
Charges for goods and services	$ 46,014,397	$ 1,368,909	$ 13,006,302	$ 127,814,450
Total operating revenues	46,014,397	1,368,909	13,006,302	127,814,450
OPERATING EXPENSES				
Salaries and wages	284,496	753,245	1,331,323	19,061,085
Personnel benefits	85,313	238,795	460,886	6,310,278
Supplies	4,689	901	1,747,613	10,520,374
Services and charges	787,657	419,941	3,285,869	26,520,311
Depreciation/amortization	-	-	6,318,130	9,859,094
Risk transfer payments	11,762,095	-	9,891	13,829,262
Claims processing	1,854,661	-	-	2,563,993
Payments to claimants and beneficiaries	43,454,160	-	-	55,923,561
Total operating expenses	58,233,071	1,412,882	13,153,712	144,587,958
Operating income (loss)	(12,218,674)	(43,973)	(147,410)	(16,773,508)
NONOPERATING REVENUES (EXPENSES)				
Interest income	485,091	-	17,164	1,470,146
Net increase (decrease) in fair value of investmen	390,432	-	3	968,175
Gain (loss) on disposition of fixed assets	-	-	30,257	61,102
Interest expense	-	-	(1,224,404)	(1,246,974)
Other nonoperating revenue	2,395,251	-	746,402	3,896,552
Total nonoperating revenues (expenses)	3,270,774	-	(430,578)	5,149,001
Income (loss) before contributions and transfers	(8,947,900)	(43,973)	(577,988)	(11,624,507)
Capital contributions	-	-	502,807	895,611
Transfers in	-	-	4,705,124	4,831,489
Transfers out	-	-	(257,308)	(459,824)
Change in Net Position	(8,947,900)	(43,973)	4,372,635	(6,357,231)
Net Position - beginning of year, as previously presented	12,224,389	(947,491)	24,113,290	51,485,452
Restatement	(257,596)	-	19,754	(587,496)
Net Position - beginning of year, as restated	11,966,793	(947,491)	24,133,044	50,897,956
Net Position - ending	$ 3,018,893	$ (991,464)	$ 28,505,679	$ 44,540,725

City of Spokane, Washington
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2025

continued

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Purchasing
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 18,051,751	$ 9,075,670	$ 15,034,573	$ 169,909	$ 1,244,607
Payments to suppliers for services	(15,122,365)	$ (7,139,994)	$ (5,639,050)	(131,114)	(224,708)
Payments to employees	(4,432,680)	(2,159,196)	(7,710,000)	(185,701)	(1,079,762)
Net cash provided (used) by operating activities	(1,503,294)	(223,520)	1,685,523	(146,906)	(59,863)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental sources	-		10,553	(1,757)	78,092
Other nonoperating sources	15,701	12,050	18,523	2	-
Transfers in	-	79,046	-	-	47,319
Transfers out	-	(61,245)	-	-	-
Net cash provided (used) by noncapital financing activities	15,701	29,851	29,076	(1,755)	125,411
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipts from lessor leases - principal	-	-	182,561	-	-
Receipts from lessor leases - interest	-	-	4,288	-	-
Proceeds from disposal of capital assets	119,693	-	9,892	-	
Proceeds from loans, notes, leases, and subscriptions	-	-	2,287	-	-
Acquisition and construction of capital assets	(1,954,404)	-	(743,509)	-	-
Acquisition of right-to-use lease assets	-	-	-	-	
Acquisition of right-to-use subscription assets	-	-	(2,287)	-	-
Principal paid on leases	(25,803)	-	(67,686)	-	
Principal paid on subscriptions	-	-	(624,746)	-	-
Principal paid on interfund loans	-	-	-	-	-
Interest paid on leases	(86)	-	(9,256)	-	
Interest paid on subscriptions	-	-	(21,746)	-	-
Interest paid on interfund loans	(924)	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(80,466)	-	-
Net cash provided (used) by capital and related financing activities	(1,861,524)	-	(1,350,668)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(2,673,770)	-	(685,839)	-	(50,247)
Proceeds from sales and maturities of investments	3,793,791	86,688	71,906	85,749	-
Interest received	374,876	-	168,671	-	-
Net cash provided (used) by investing activities	1,494,897	86,688	(445,262)	85,749	(50,247)
Net increase (decrease) in cash and cash equivalents	(1,854,220)	(106,981)	(81,331)	(62,912)	15,301
Cash and cash equivalents - January 1	1,912,942	332,790	1,482,529	102,446	53,909
Cash and cash equivalents - December 31	$ 58,722	$ 225,809	$ 1,401,198	$ 39,534	$ 69,210
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	(887,730)	(181,911)	(100,369)	129,558	(211,902)
Adjustments to Reconcile Operating Income					
Depreciation	1,590,592	-	1,946,525	3,847	-
Change in Assets: Decrease (Increase)					-
Receivables, net of allowance	(2,258,710)	(151,691)	(18,498)	(11,518)	(19,754)
Deposits with fiscal agents	-	-	-	-	-
Inventories	12,499	-		1,733	-
Prepayments	-	-	68,902	-	-
Change in Deferred Outflow: Decrease (Increase)	417,329	232,851	1,112,019	57,459	112,568
Change in Liabilities: Increase (Decrease)					
Payables	(536,434)	(28,623)	408,094	(177,149)	93,015
Pension	255,735	(38,695)	(1,527,729)	(132,840)	(5,066)
OPEB	(2,003)	(605)	99,792	1,569	(1,993)
Change in Deferred Inflows: Increase (Decrease)	(94,572)	(54,846)	(303,213)	(19,565)	(26,731)
Net Cash provided (used) by operating activities	**$ (1,503,294)**	**$ (223,520)**	**$ 1,685,523**	**$ (146,906)**	**$ (59,863)**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets	$ 245,888	$ -	$ 61,952	$ -	$ -

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2025

continued

	Accounting Services	My Spokane	Risk Management	Workers' Compensation	Unemployment Insurance
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 5,788,772	$ 1,939,744	$ 7,390,975	$ 6,012,095	$ 385,785
Payments to suppliers for services	(1,259,783)	(639,826)	(6,874,353)	(7,051,120)	(344,364)
Payments to employees	(4,428,674)	(1,295,042)	112,639	(594,210)	(13,053)
Net cash provided (used) by operating activities	100,315	4,876	629,261	(1,633,235)	28,368
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental sources	-	-	-	168,539	-
Other nonoperating sources	202,530	31	8,843	53,306	-
Transfers in	-	-	-	-	-
Transfers out	(22,295)	(38,510)	-	-	-
Net cash provided (used) by noncapital financing activities	180,235	(38,479)	8,843	221,845	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipts from lessor leases - principal	-	-	-	-	-
Receipts from lessor leases - interest	-	-	-	-	-
Proceeds from disposal of capital assets	-	-	-	-	-
Proceeds from loans, notes, leases, and subscriptions	-	-	-	-	-
Acquisition and construction of capital assets	-	-	-	-	-
Acquisition of right-to-use lease assets	-	-	-	-	-
Acquisition of right-to-use subscription assets	-	-	-	-	-
Princpal paid on leases	-	-	-	-	-
Principal paid on subscriptions	-	-	-	-	-
Principal paid on interfund loans	-	-	-	-	-
Interest paid on leases	-	-	-	-	-
Interest paid on subscriptions	-	-	-	-	-
Interest paid on interfund loans	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(293,889)	-	(1,362,937)	(1,529,282)	(97,338)
Proceeds from sales and maturities of investments	115,861	10,877	175,477	2,498,492	14,631
Interest received	6,059	-	414,329	556,300	17,124
Net cash provided (used) by investing activities	(171,969)	10,877	(773,131)	1,525,510	(65,583)
Net increase (decrease) in cash and cash equivalents	108,581	(22,726)	(135,027)	114,120	(37,215)
Cash and cash equivalents - January 1	154,095	95,718	2,744,832	192,328	371,646
Cash and cash equivalents - December 31	$ 262,676	$ 72,992	$ 2,609,805	$ 306,448	$ 334,431
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	(469,322)	7,296	(689,063)	(1,912,999)	(47,009)
Adjustments to Reconcile Operating Income					
Depreciation	-	-	-	-	-
Change in Assets: Decrease (Increase)					
Receivables, net of allowance	124,126	(23,232)	10,695	(1,684)	(186)
Deposits with fiscal agents	-	-	-	19,491	-
Inventories	-	-	-	-	-
Prepayments	-	-	(1,738)	-	-
Change in Deferred Outflows: Decrease (Increase)	501,437	131,953	(92,698)	186,398	1,298
Change in Liabilities: Increase (Decrease)					
Payables	112,922	(102,208)	831,888	676,962	75,239
Pension	(18,054)	18,190	525,820	(536,850)	(667)
OPEB	(20,124)	263	502	-	-
Change in Deferred Inflows: Increase (Decrease)	(130,670)	(27,386)	43,855	(64,553)	(307)
Net Cash provided (used) by operating activities	**$ 100,315**	**$ 4,876**	**$ 629,261**	**$ (1,633,235)**	**$ 28,368**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets	$ -	$ -	$ -	$ -	$ -

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2025

concluded

	Employee Benefits	Project Management Office	Property Acquisition	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 45,986,392	$ 1,265,870	$ 14,113,857	$ 126,460,000
Payments to suppliers for services	(57,726,984)	(369,030)	(6,027,903)	(108,550,594)
Payments to employees	(392,981)	(945,843)	(1,506,534)	(24,631,037)
Net cash provided (used) by operating activities	(12,133,573)	(49,003)	6,579,420	(6,721,631)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental sources	-	-	-	255,427
Other nonoperating sources	2,395,251	-	159,998	2,866,235
Transfers in	-	-	16,065	142,430
Transfers out	-	-	-	(122,050)
Net cash provided (used) by noncapital financing activities	2,395,251	-	176,063	3,142,042
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Receipts from lessor leases - principal	-	-	566,580	749,141
Receipts from lessor leases - interest	-	-	15,310	19,598
Proceeds from disposal of capital assets	-	-	159,540	289,125
Proceeds from loans, notes, leases, and subscriptions	-	-	18,218,461	18,220,748
Acquisition and construction of capital assets	-	-	(3,252,752)	(5,950,665)
Acquisition of right-to-use lease assets	-	-	-	-
Acquisition of right-to-use subscription assets	-	-	-	(2,287)
Principal paid on leases	-	-	-	(93,489)
Principal paid on subscriptions	-	-	-	(624,746)
Principal paid on interfund loans	-	-	(26,620,648)	(26,620,648)
Interest paid on leases	-	-	-	(9,342)
Interst paid on subscriptions	-	-	-	(21,746)
Interest paid on interfund loans	-	-	(1,271,192)	(1,272,116)
Transfers in	-	-	4,689,059	4,689,059
Transfers out	-	-	(257,308)	(337,774)
Net cash provided (used) by capital and related financing activities	-	-	(7,752,950)	(10,965,142)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,424,208)	-	-	(8,117,510)
Proceeds from sales and maturities of investments	9,518,559	10,328	204,410	16,586,769
Interest received	878,177	-	4	2,415,540
Net cash provided (used) by investing activities	8,972,528	10,328	204,414	10,884,799
Net increase (decrease) in cash and cash equivalents	(765,794)	(38,675)	(793,053)	(3,659,932)
Cash and cash equivalents - January 1	922,048	176,655	3,642,237	12,184,175
Cash and cash equivalents - December 31	$ 156,254	$ 137,980	$ 2,849,184	$ 8,524,243
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	(12,218,674)	(43,973)	(147,410)	(16,773,508)
Adjustments to Reconcile Operating Income				
Depreciation	-	-	6,318,130	9,859,094
Change in Assets: Decrease (Increase)				
Receivables, net of allowance	(10,295)	(103,039)	1,099,475	(1,364,311)
Deposits with fiscal agents	(17,710)	-	5,333	7,114
Inventories	-	-	-	14,232
Prepayments	-	-	-	67,164
Change in Deferred Outflows: Decrease (Increase)	47,275	102,535	146,021	2,956,445
Change in Liabilities: Increase (Decrease)				
Payables	127,619	41,867	(899,908)	623,284
Pension	(48,842)	(24,035)	87,750	(1,445,283)
OPEB	(321)	748	(2,443)	75,385
Change in Deferred Inflows: Increase (Decrease)	(12,625)	(23,106)	(27,528)	(741,247)
Net Cash provided (used) by operating activities	**$ (12,133,573)**	**$ (49,003)**	**$ 6,579,420**	**$ (6,721,631)**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	$ -	$ -	$ 245,499	$ 553,339

Fiduciary Funds

Fiduciary Funds account for assets held in a trustee or agent capacity for outside parties, including individuals, private organizations, and other governments.

Pension Trust Funds are used to report resources that are required to be held in trust by the City for the members and beneficiaries of defined benefit and defined contribution pension plans, including other employee benefit plans. The Pension Trust Funds are described below:

Employees' Retirement Fund
The Employees' Retirement Fund provides pension benefits for most non-uniformed employees. Major sources of revenues are from investment interest and employer and employee contributions.

Firefighters' Pension and OPEB Funds
The Firefighters' Pension Fund provides pension and other post employment benefits for all firefighters who retired prior to March 1, 1970, and limited benefits to firefighters who were hired between March 1, 1970 and October 1, 1977. Firefighters hired after October 1, 1977 are covered by the LEOFF system and are not covered by this fund.

Police Pension and OPEB Funds
The Police Pension Fund provides pension and other postemployment benefits for all uniformed police who retired prior to March 1, 1970, and limited benefits to uniformed police who were hired between March 1, 1970 and October 1, 1977. Police officers hired after October 1, 1977 are covered by the LEOFF system and are not covered by this fund.

Custodial Funds account for resources held by the City in a custodial capacity for other governments, private organizations, or individuals. The Custodial Funds are described below:

Parking and Business Improvement Disrtrict Fund
The Parking and Business Improvement District fund accounts for monies received from the Downtown Spokane and Business Improvement Area special assessment levy and expenditures for improvements made in the downtown core area.

Municipal Court
The Municipal Fund accounts for all monies received from fines fees, and restitutions and are remitted to the State of Washington.

Building Code Records Management
The Building Code Records Management Fund accounts for monies collected from imposed fees on residential and commercial building permits issued by the City. Funds are remitted to the Washington State Treasurer and deposited into the Building Code Council account.

Local State Remittances
The Local State Remittances Fund accounts for all monies received by the City for certain public safety permits and leasehold excise tax that are then disbursed to Spokane County and state agencies.

Utility Billing Assistance
The Utility Billing Assistance Fund accounts for all monies received current utility bill account holders which is then used to reduce utility bills for account holders in need. The need is determined by an independent third party review of account holders that determine their ability to pay.

City of Spokane, Washington
Combining Statement of Plan Net Position
Pension Funds
December 31, 2025

	Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ASSETS				
Cash	$ 307,922	$ 87,411	$ 509,689	$ 428,658
Short term investments	7,666,898	543,701	3,170,289	20,084
Receivables:				
Interest and dividends	472,930	45,036	262,599	263
Taxes receivable	-	-	-	400,000
Other receivables	-	97,730	129,873	96,564
Total Receivables	472,930	142,766	392,472	496,827
Investments, noncurrent, at fair value:				
U.S. fixed income	40,200,219	4,574,551	26,673,928	-
International fixed income	222,403	128,983	752,093	-
Fixed Income Mutual Funds	8,588,437	-	-	-
U.S. equities	16,569,237	-	-	-
Real estate	26,126,386	-	-	-
International equities	1,418,025	-	-	-
Equity Mutual Funds	177,819,794	-	-	-
Alternatives	128,034,544	-	-	-
Total investments, noncurrent	398,979,045	4,703,534	27,426,021	-
Capital assets:				
Software	352,980	35,775	35,775	26,235
Other improvements	17,539	-	-	-
Less accumulated depreciation/amortization	(264,625)	(25,043)	(25,042)	(18,365)
Total capital assets	105,894	10,732	10,733	7,870
Total Assets	407,532,689	5,488,144	31,509,204	953,439
LIABILITIES				
Accounts/vouchers payable	123,135	20,483	40,099	-
Compensated absences	126,098	-	-	-
Other accrued liabilities	13,180	-	-	-
Other current liabilities	11,387	1,275	1,276	-
Pending trade	-	480,326	2,800,750	-
Total Liabilities	273,800	502,084	2,842,125	-
NET POSITION				
Held in trust for pension benefits	407,258,889	4,986,060	28,667,079	953,439
Total Net Position	407,258,889	4,986,060	28,667,079	953,439

City of Spokane, Washington
Combining Statement of Plan Net Position
Pension Funds
December 31, 2025
(Continued)

	Police OPEB	Total
ASSETS		
Cash	$ -	$ 1,333,680
Short term investments	-	11,400,972
Receivables:		
Interest and dividends	-	780,828
Taxes receivable	-	400,000
Other receivables	16,386	340,553
Total Receivables	16,386	1,521,381
Investments, noncurrent, at fair value:		
U.S. fixed income	-	71,448,698
International fixed income	-	1,103,479
Fixed Income Mutual Funds	-	8,588,437
U.S. equities	-	16,569,237
Real estate	-	26,126,386
International equities	-	1,418,025
Equity Mutual Funds	-	177,819,794
Alternatives	-	128,034,544
Total investments, noncurrent	-	431,108,600
Capital assets:		
Software	26,235	477,000
Other improvements	-	17,539
Less accumulated depreciation/amortization	(18,364)	(351,439)
Total capital assets	7,871	143,100
Total Assets	24,257	445,507,733
LIABILITIES		
Accounts/vouchers payable	8,734	192,451
Compensated absences	-	126,098
Other accrued liabilities	-	13,180
Other current liabilities	15,523	29,461
Pending trade	-	3,281,076
Total Liabilities	24,257	3,642,266
NET POSITION		
Held in trust for pension benefits	-	441,865,467
Total Net Position	-	441,865,467

City of Spokane, Washington
Combining Statement of Changes in Plan Net Position
Pension Funds
For the Fiscal Year Ended December 31, 2025

	Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ADDITIONS				
Contributions:				
Employer	$ 16,102,443	$ 7,203	$ 1,229,367	$ 663,307
Plan members	16,156,407	-	-	-
Intergovernmental revenue	-	512,228	-	-
Medicare retiree drug subsidy	-	-	129,873	-
Miscellaneous	-	-	298,616	-
Total Contributions	32,258,850	519,431	1,657,856	663,307
Investment Income:				
Net increase in fair value of investments	44,262,855	208,227	824,589	-
Interest and dividends	5,573,773	261,344	1,034,936	4,091
Less: Investment expense	(633,124)	(44,757)	(44,756)	-
Net investment income (loss)	49,203,504	424,814	1,814,769	4,091
Total Additions	81,462,354	944,245	3,472,625	667,398
DEDUCTIONS				
Pension Benefits	39,871,745	481,879	-	559,011
Medical and dental benefits	-	-	3,106,746	-
Pension refunds	1,019,988	-	-	-
Medical and dental administration	-	-	148,834	-
Administrative expenses	653,075	42,760	46,325	41,196
Total Deductions	41,544,808	524,639	3,301,905	600,207
Allocation Adjustment based on Liability	$ -	$ (1,935,724)	$ 1,935,724	$ -
Net Increase (Decrease)	39,917,546	(1,516,118)	2,106,444	67,191
Net Position - beginning	367,341,343	6,502,178	26,560,635	886,248
Net Position - ending	$ 407,258,889	$ 4,986,060	$ 28,667,079	$ 953,439

City of Spokane, Washington
Combining Statement of Changes in Plan Net Position
Pension Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Police OPEB	Total
ADDITIONS		
Contributions:		
Employer	$ 2,086,693	$ 20,089,013
Plan members	-	16,156,407
Intergovernmental revenue	-	512,228
Medicare retiree drug subsidy	109,470	239,343
Miscellaneous	196,012	494,628
Total Contributions	2,392,175	37,491,619
Investment Income:		
Net increase in fair value of investments	1,580	45,297,251
Interest and dividends	-	6,874,144
Less: Investment expense	-	(722,637)
Net investment income (loss)	1,580	51,448,758
Total Additions	2,393,755	88,940,377
DEDUCTIONS		
Pension Benefits	-	40,912,635
Medical and dental benefits	2,233,776	5,340,522
Pension refunds	-	1,019,988
Medical and dental administration	118,127	266,961
Administrative expenses	41,852	825,208
Total Deductions	2,393,755	48,365,314
Allocation Adjustment based on Liability	$ -	$ -
Net Increase (Decrease)	-	40,575,063
Net Position - beginning	-	401,290,404
Net Position - ending	$ -	$ 441,865,467

City of Spokane, Washington
Combining Statement of Net Position
Custodial Funds
December 31, 2025

	Parking & Business Improvement District	Municipal Court	Building Code Records Management
ASSETS			
Cash	$ 14,190	$ 64,442	$ 2,507
Deposits with fiscal agents/trustees	-	123,541	-
Due from other governments	-	-	-
Other receivables	-	34,653	-
Total Assets	14,190	222,636	2,507
LIABILITIES			
Accounts/vouchers payable	-	-	-
Due to other governments	14,190	222,636	2,507
Total Liabilities	14,190	222,636	2,507
NET POSITION			
Individuals, organizations, and other governments	-	-	-
Total Net Position	$ -	$ -	$ -

City of Spokane, Washington
Combining Statement of Net Position
Custodial Funds
December 31, 2025

	Local State Remittances	Utility Billing Assistance	Total
ASSETS			
Cash	$ 50,659	$ -	$ 131,798
Deposits with fiscal agents/trustees	-	-	123,541
Due from other governments	-	40,119	40,119
Other receivables	-	-	34,653
Total Assets	50,659	40,119	330,111
LIABILITIES			
Accounts/vouchers payable	16,248	-	16,248
Due to other governments	34,411	-	273,744
Total Liabilities	50,659	-	289,992
NET POSITION			
Individuals, organizations, and other governments	-	40,119	40,119
Total Net Position	$ -	$ 40,119	$ 40,119

City of Spokane, Washington
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2025

	Parking & Business Improvement District	Municipal Court	Building Code Records Management	Utility Billing Assistance
ADDITIONS				
Court fees collected for other governments	$ -	$ 955,010	$ -	$ -
Permit Fees Collected for other gov'ts	-	-	48,694	-
Special Assessments Collected for other gov'ts	1,817,065	-	-	-
Utility Assistance Received	-	-	-	62,555
Total Additions	1,817,065	955,010	48,694	62,555
DEDUCTIONS				
Court Fees paid to other governments	-	955,010	-	-
Permit Fees paid to other gov'ts	-	-	48,694	-
Special Assessments paid to other gov'ts	1,817,065	-	-	-
Utility Assistance Paid to recipients	-	-	-	79,883
Total Deductions	1,817,065	955,010	48,694	79,883
Net Increase (Decrease)	-	-	-	(17,328)
Net Position - beginning	-	-	-	57,447
Net Position - ending	$ -	$ -	$ -	$ 40,119

City of Spokane, Washington
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended December 31, 2025
(Continued)

	Total
ADDITIONS	
Court fees collected for other governments	$ 955,010
Permit Fees Collected for other gov'ts	48,694
Special Assessments Collected for other gov'ts	1,817,065
Utility Assistance Received	62,555
Total Additions	2,883,324
DEDUCTIONS	
Court Fees paid to other governments	955,010
Permit Fees paid to other gov'ts	48,694
Special Assessments paid to other gov'ts	1,817,065
Utility Assistance Paid to recipients	79,883
Total Deductions	2,900,652
Net Increase (Decrease)	(17,328)
Net Position - beginning	57,447
Net Position - ending	$ 40,119

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Statistical Section

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends – these schedules contain trend information to help the reader understand how the City's financial performance and fiscal health has changed over time.

Schedule 1	Net Position by Component	311
Schedule 2	Change in Net Position	313
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Schedule 4	Change in Fund Balance, All Governmental Funds	319

Revenue Capacity – these schedules contain information to help the reader assess the City's most significant revenue sources: property taxes and retail sales taxes.

Schedule 5	Governmental Activities Tax Revenue by Source	321
Schedule 6	Assessed Value and Estimated Actual Value of Taxable Property	322
Schedule 7	Direct and Overlapping Property Tax Rates	324
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Schedule 10	Sales Subject to Retail Sales Tax by Industry	329
Schedule 11	Direct and Overlapping Sales Tax Rates	331
Schedule 12	Number of Retail Sales Taxpayers by Industry	333

Debt Capacity – these schedule present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule 13	Ratios of Outstanding Debt by Type	334
Schedule 14	Legal Debt Margin Information	336
Schedule 15	Pledged Revenue Coverage	338
Schedule 16	Direct and Overlapping Debt	340

Demographic Information – these schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

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Schedule 19	Annual Average Civilian Labor Force Unemployment Rates	343
Schedule 20	Principal Employers	345

Operating Information – these schedules offer operating data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

Schedule 21	Full Time Equivalent Staff Comparisons	346
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Schedule 23	Operating and Capital Asset Indicators by Function – Public Safety	349
Schedule 24	Operating and Capital Asset Indicators by Function – Transportation	353
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Schedule 26	Operating and Capital Asset Indicators by Function – Culture & Recreation	357

Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2025	2024 Restated	2023 Restated	2022 Restated	2021 Restated
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 1,468,731	$ 1,465,527	$ 1,449,042	$ 1,445,622	$ 1,437,364
Restricted	174,847	164,084	197,777	109,611	99,444
Unrestricted	(90,498)	(87,008)	(105,421)	(11,159)	(9,937)
Total governmental activities net position	1,553,080	1,542,602	1,541,398	1,544,074	1,526,871
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	922,455	837,574	808,366	766,764	752,610
Restricted[1]	-	-	-	-	-
Unrestricted	4,786	56,074	20,626	49,618	46,591
Total business-type activities net position	927,240	893,648	828,992	816,382	799,201
PRIMARY GOVERNMENT					
Net investment in capital assets	2,391,185	2,296,663	2,257,408	2,212,386	2,189,974
Restricted	174,847	164,084	197,777	109,611	99,444
Unrestricted	(85,712)	(81,772)	(84,794)	38,460	36,654
Total primary government net position	$ 2,480,320	$ 2,378,974	$ 2,370,390	$ 2,360,456	$ 2,326,071

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

concluded

	2020 Restated	2019 Restated	2018 Restated	2017 Restated	2016 Restated
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	$ 1,436,212	$ 1,432,358	$ 1,426,330	$ 1,417,910	$ 1,414,232
Restricted	73,989	71,212	72,523	71,618	66,081
Unrestricted	(49,320)	(77,710)	(98,779)	(130,743)	(68,287)
Total governmental activities net position	1,460,881	1,425,861	1,400,074	1,358,784	1,412,026
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	743,500	693,116	651,835	608,537	625,227
Restricted[1]	-	-	-	-	-
Unrestricted	27,863	63,345	79,513	102,802	82,439
Total business-type activities net position	771,363	756,461	731,348	711,339	707,666
PRIMARY GOVERNMENT					
Net investment in capital assets	2,179,712	2,125,474	2,078,165	2,026,446	2,039,459
Restricted	73,989	71,212	72,523	71,618	66,081
Unrestricted	(21,457)	(14,365)	(19,266)	(27,941)	14,152
Total primary government net position	$ 2,232,245	$ 2,182,321	$ 2,131,422	$ 2,070,123	$ 2,119,692

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2025	2024 Restated	2023 Restated	2022 Restated	2021 Restated
EXPENSES					
Governmental activities:					
General government	$ 6,608	$ 18,376	$ 20,158	$ 17,811	$ 13,573
Judicial	7,674	7,046	4,958	3,448	4,066
Public safety	209,644	202,674	195,203	173,503	119,142
Transportation	75,447	80,223	74,163	68,112	63,982
Economic environment	34,842	44,556	43,216	38,912	31,849
Social services[4]	31,157	24,231	37,660	26,930	17,486
Culture and recreation	53,317	54,816	51,079	39,668	35,883
Interest on long-term debt	7,335	7,659	8,210	8,213	8,416
Total governmental activities expenses	426,024	439,581	434,647	376,597	294,397
Business-type activities:					
Water/Sewer[2]	190,067	178,676	167,649	150,015	143,356
Solid Waste	107,201	108,371	101,156	87,796	80,083
Other business-type activities	19,340	16,419	14,435	12,321	11,662
Total business-type activities expenses	316,608	303,466	283,240	250,132	235,101
Total primary government expenses	$ 742,632	$ 743,046	$ 717,887	$ 626,729	$ 529,498
PROGRAM REVENUES					
Governmental activities:					
General government	$ 10,912	$ 13,368	$ 13,911	$ 10,633	$ 8,033
Judicial	1,916	1,619	1,932	118	2,117
Public safety	15,925	15,649	13,344	12,507	11,023
Transportation	15,603	14,284	16,136	11,029	12,369
Economic environment	712	1,236	690	482	345
Social services[4]	1,387	1,134	1,171	1,703	2,412
Culture and recreation	8,378	6,629	7,479	7,550	5,814
Operating grants and contributions	49,851	44,703	52,627	51,378	38,755
Capital grants and contributions	12,684	28,789	17,128	20,477	9,565
Total governmental activities program revenues	117,369	127,409	124,419	115,877	90,434
Business-type activities:					
Charges for services:					
Water/Sewer[2]	188,293	175,636	189,142	161,852	160,955
Solid Waste	105,098	100,409	90,417	84,642	83,303
Other business-type activities	16,262	15,867	13,305	14,130	13,109
Operating grants and contributions	1,334	1,967	137	268	18
Capital grants and contributions	34,468	20,616	12,608	12,032	12,578
Total business-type activities program revenues	345,455	314,495	305,608	272,924	269,964
Total primary government program revenues	$ 462,824	$ 441,904	$ 430,027	$ 388,801	$ 360,398
NET (EXPENSE)/REVENUE					
Governmental activities	(308,655)	(312,172)	(310,228)	(260,720)	(203,964)
Business-type activities	28,847	11,029	22,368	22,792	34,863
Total primary government net expense	$ (279,808)	$ (301,142)	$ (287,860)	$ (237,928)	$ (169,101)

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2020 Restated	2019 Restated	2018 Restated	2017 Restated	2016 Restated
EXPENSES					
Governmental activities:					
General government	$ 22,357	$ 21,635	$ 28,230	$ 29,015	$ 20,507
Judicial	4,850	4,515	4,526	4,853	4,828
Public safety	135,436	136,141	111,534	111,504	124,913
Transportation	67,264	61,314	62,963	54,446	46,054
Economic environment	12,929	16,408	15,249	13,900	13,007
Social services[4]	18,065	14,475	10,813	10,671	9,746
Culture and recreation	30,386	39,457	24,657	31,437	31,834
Interest on long-term debt	9,644	9,798	8,124	7,189	7,938
Total governmental activities expenses	300,931	303,743	266,096	263,014	258,828
Business-type activities:					
Water/Sewer[2]	143,549	136,983	127,137	122,660	122,631
Solid Waste	83,013	80,074	80,432	80,115	77,143
Other business-type activities	10,222	10,265	9,816	10,274	11,088
Total business-type activities expenses	236,784	227,322	217,385	213,050	210,862
Total primary government expenses	$ 537,716	$ 531,066	$ 483,481	$ 476,064	$ 469,690
PROGRAM REVENUES					
Governmental activities:					
General government	$ 7,962	$ 8,214	$ 9,658	$ 9,246	$ 7,670
Judicial	1,437	1,944	2,459	3,099	2,945
Public safety	9,342	13,211	9,790	8,368	10,757
Transportation	8,432	11,755	7,255	10,566	11,499
Economic environment	758	66	408	96	133
Social services[4]	1,890	1,640	1,475	1,014	947
Culture and recreation	5,475	6,697	5,191	3,506	5,553
Operating grants and contributions	27,262	15,396	16,837	16,048	12,355
Capital grants and contributions	13,703	7,019	18,476	21,806	10,396
Total governmental activities program revenues	76,262	65,942	71,547	73,749	62,255
Business-type activities:					
Charges for services:					
Water/Sewer[2]	151,396	151,029	136,006	134,351	123,287
Solid Waste	74,550	74,557	69,926	68,388	65,351
Other business-type activities	11,611	10,163	10,626	10,309	10,830
Operating grants and contributions	396	12	-	102	143
Capital grants and contributions	20,286	22,546	27,175	10,491	16,412
Total business-type activities program revenues	258,238	258,307	243,733	223,640	216,023
Total primary government program revenues	$ 334,500	$ 324,249	$ 315,280	$ 297,389	$ 278,278
NET (EXPENSE)/REVENUE					
Governmental activities	(224,669)	(237,802)	(194,549)	(189,265)	(196,573)
Business-type activities	21,454	30,984	26,348	10,590	5,161
Total primary government net expense	$ (203,215)	$ (206,817)	$ (168,201)	$ (178,675)	$ (191,412)

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2025	2024 Restated	2023 Restated	2022 Restated	2021 Restated
GENERAL REVENUES & OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes	$ 105,160	$ 101,757	$ 92,629	$ 90,230	$ 88,671
Sales taxes	92,722	87,331	86,650	85,720	76,997
Utility taxes	83,413	78,533	72,603	69,633	67,637
Other taxes	25,273	24,743	25,121	28,899	30,299
Miscelllanious revenue	-	-	6,199	6,396	-
Interest and investment earnings	11,448	12,506	17,313	(10,323)	(1,484)
Transfers	1,117	526	7,035	7,369	7,834
Total governmental activities	319,132	305,396	307,550	277,924	269,953
Business-type activities:					
Interest and investment earnings	5,852	1,653	(2,723)	1,758	808
Disposition of capital assets	10	7	-	-	-
Transfers	(1,117)	(1,326)	(7,035)	(7,369)	(7,834)
Total business-type activities	4,745	335	(9,758)	(5,611)	(7,025)
Total primary government	$ 323,878	$ 305,730	$ 297,792	$ 272,313	$ 262,927
CHANGE IN NET POSITION					
Governmental activities	10,478	(6,776)	(2,678)	17,204	65,989
Business-type activities	33,592	11,364	12,610	17,181	27,837
Total primary government	$ 44,070	$ 4,588	$ 9,932	$ 34,385	$ 93,827

Note: Prior year balances restated in compliance with GASB standards.
Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

concluded

	2020 Restated	2019 Restated	2018 Restated	2017 Restated	2016 Restated
GENERAL REVENUES & OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes	$ 73,109	$ 78,517	$ 73,109	$ 71,597	$ 69,787
Sales taxes	60,329	63,792	60,329	57,325	53,232
Utility taxes	64,414	66,644	64,414	64,635	59,884
Other taxes	24,944	24,224	24,944	19,056	16,589
Miscelllanious revenue	-		-	-	-
Interest and investment earnings	6,094	23,750	6,094	11,911	(1,033)
Transfers	6,948	6,662	6,948	5,070	62
Total governmental activities	235,839	263,589	235,839	229,594	198,519
Business-type activities:					
Interest and investment earnings	609	790	609	496	264
Disposition of capital assets	-	-	-	-	-
Transfers	(6,948)	(6,662)	(6,948)	(5,070)	(62)
Total business-type activities	(6,339)	(5,872)	(6,339)	(4,575)	202
Total primary government	$ 229,500	$ 257,717	$ 229,500	$ 225,020	$ 198,721
CHANGE IN NET POSITION					
Governmental activities	11,169	25,787	41,289	40,330	1,947
Business-type activities	15,115	25,112	20,009	6,016	5,363
Total primary government	$ 26,284	$ 50,899	$ 61,299	$ 46,345	$ 7,309

Note: Prior year balances restated in compliance with GASB s

Source: City of Spokane Accounting

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

continued

	2025	2024 Restated	2023 Restated	2022 Restated	2021 Restated
GENERAL FUND					
Nonspendable	$ 682	$ 819	$ 738	$ 1,174	$ 2,716
Restricted	216	199	204	188	203
Assigned	5,693	13,167	34,403	26,716	30,385
Unassigned	30,701	28,429	-	-	19,439
Total general fund	37,291	42,614	35,345	28,078	52,743
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	1,082	1,141	1,168	1,460	1,447
Restricted	108,672	98,751	105,489	113,761	119,389
Committed	17,839	19,132	22,491	31,655	31,444
Assigned	9,081	37,399	10,088	12,320	16,295
Unassigned	(128)	(28,922)	(2,956)	(1,985)	(1,448)
Total All Other Governmental Funds	136,546	127,502	136,280	157,212	167,127
Total governmental funds	$ 173,838	$ 170,116	$ 171,625	$ 185,290	$ 219,870

Note: Prior year balances restated in compliance with GASB standards.
Source: City of Spokane Accounting

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

concluded

	2020 Restated	2019 Restated	2018 Restated	2017 Restated	2016 Restated
GENERAL FUND					
Nonspendable	$ 4,071	$ 2,675	$ 2,254	$ 1,843	$ 1,286
Restricted	489	782	782	799	608
Assigned	36,506	33,954	26,858	20,844	19,967
Unassigned	19,502	23,503	24,942	29,086	19,049
Total general fund	60,569	60,913	54,836	52,571	40,910
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	1,103	1,174	1,275	1,395	-
Restricted	132,866	151,247	174,438	106,928	121,006
Committed	29,738	23,837	23,519	22,068	21,928
Assigned	14,475	11,735	6,802	3,731	5,192
Unassigned	(44)	(281)	-	-	-
Total All Other Governmental Funds	178,138	187,711	206,035	134,122	148,126
Total governmental funds	$ 238,707	$ 248,624	$ 260,871	$ 186,693	$ 189,036

Note: Prior year balances restated in compliance with GASB standards.
Source: City of Spokane Accounting

Financial Trends

Schedule 4 -Changes in Fund Balance
All Governmental Fund Types

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

continued

	2025	2024 Restated	2023 Restated	2022 Restated	2021 Restated
REVENUES					
Taxes:					
Property taxes	$ 105,335	$ 101,757	$ 98,848	$ 89,684	$ 88,332
Sales taxes	92,722	87,331	86,650	85,720	76,997
Utility taxes	83,413	78,533	72,603	69,633	67,637
Other taxes	14,485	14,337	14,394	16,510	18,076
Total taxes	295,956	281,958	272,496	261,546	251,042
Licenses, permits, and fees	10,159	9,620	9,111	8,631	8,033
Intergovernmental	74,716	84,351	79,436	81,177	60,668
Charges for services	50,964	48,955	45,507	37,346	35,198
Fines and forfeitures	6,672	6,524	8,064	5,369	8,979
Miscellaneous	16,665	24,684	18,011	14,305	11,071
Net inc(dec) in market value of investments	1,838	38	8,452	(17,950)	(6,284)
Total revenues	456,970	456,131	441,077	390,424	368,707
EXPENDITURES					
General government	39,366	49,743	44,643	41,374	40,128
Public safety	214,559	190,481	180,764	166,924	149,924
Transportation	47,439	49,692	46,845	44,110	39,567
Economic environment[2]	34,889	42,624	41,392	38,045	30,787
Social services[2]	31,546	22,573	36,687	27,088	17,510
Culture and recreation	39,510	38,870	35,213	30,878	27,981
Capital outlay	23,537	41,291	45,965	55,785	64,453
Debt service:					
Principal	11,702	16,506	11,620	9,291	8,439
Interest	7,374	7,696	8,038	8,227	8,436
Total expenditures	449,923	459,475	451,166	421,723	387,225
Excess revenues over (under) expenditures	7,047	(3,344)	(10,089)	(31,299)	(18,518)
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	-	975	-	-
Refunding debt issued	-	-	-	-	-
Leases issued	370	666	179	4,284	-
Subscriptions issued	-	95	7,034	-	-
Premium on debt issuance	-	-	-	-	-
Sale of capital assets	63	70	72	221	143
Payment to escrow agent for refunded debt	-	-	-	-	-
Transfers in	70,491	67,206	66,142	55,444	51,333
Transfers out	(70,978)	(65,820)	(77,977)	(63,230)	(51,405)
Total other financing sources (uses)	(55)	2,218	(3,576)	(3,281)	71
OTHER CHANGES IN FUND BALANCE					
Prior period adjustment	3,273	5,822	(1,637)	(2,570)	-
Net change in fund balance	$ 10,264	$ 4,695	$ (15,302)	$ (37,149)	$ (18,447)
Debt service as a percentage of noncapital expenditures (as restated)	4.47%	5.79%	4.85%	4.79%	5.23%

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Financial Trends

Schedule 4 -Changes in Fund Balance
All Governmental Fund Types

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

concluded

	2020 Restated	2019 Restated	2018 Restated	2017 Restated	2016 Restated
REVENUES					
Taxes:					
Property taxes	$ 85,664	$ 78,267	$ 71,993	$ 71,324	$ 69,196
Retail sales and use taxes	59,684	63,792	60,329	57,325	53,232
Business taxes	64,417	66,644	64,414	64,635	59,884
Other taxes	12,648	12,800	13,295	8,589	6,979
Total Taxes	222,413	221,503	210,030	201,873	189,291
Licenses, permits, and fees	7,466	7,922	7,542	7,844	7,607
Intergovernmental	51,461	34,642	46,752	44,915	37,406
Charges for services	31,837	36,504	38,076	35,777	33,651
Fines and forfeitures	5,235	9,378	6,118	6,936	7,783
Miscellaneous	17,058	18,163	12,936	11,570	13,895
Net inc(dec) in market value of investments	9,067	14,135	(2,534)	5,786	(10,418)
Total revenues	344,537	342,247	318,920	314,701	279,215
EXPENDITURES					
General government	46,548	42,323	42,017	39,973	40,139
Public safety	140,627	144,586	130,543	125,471	122,403
Transportation	40,068	38,880	41,585	31,769	28,823
Economic environment[2]	13,510	16,436	15,663	13,173	13,126
Social services[2]	17,513	14,033	9,716	10,332	9,311
Culture and recreation	24,152	35,982	28,002	25,358	25,158
Capital outlay	53,164	44,877	48,538	56,670	34,368
Debt service:					
Principal	7,143	6,794	6,186	6,456	5,814
Interest	9,747	9,813	7,991	7,189	7,938
Total expenditures	352,472	353,724	330,241	316,392	287,081
Excess revenues over (under) expenditures	(7,935)	(11,477)	(11,321)	(1,691)	(7,866)
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	-	73,605	-	-
Refunding debt issued	21,602	-	-	25,030	16,167
Leases issued	-	-	-	-	-
Subscriptions issued	-	-	-	-	-
Premium on debt issuance	-	-	4,133	3,781	-
Sale of capital assets	804	459	6,260	859	406
Payment to escrow agent for refunded debt	(21,545)	-	-	(28,854)	(16,338)
Transfers in	42,196	49,699	60,494	46,365	36,053
Transfers out	(45,040)	(50,927)	(58,993)	(47,832)	(36,350)
Total other financing sources (uses)	(1,983)	(769)	85,499	(651)	(62)
OTHER CHANGES IN FUND BALANCE					
Prior period adjustment	(8,538)	(647)	2,272	(381)	(8,956)
Net change in fund balance	$ (18,456)	$ (12,893)	$ 76,450	$ (2,724)	$ (16,885)
Debt service as a percentage of noncapital expenditures (as restated)	5.64%	5.38%	5.03%	5.25%	5.44%

Note: Prior year balances restated in compliance with GASB standards.

Source: City of Spokane Accounting

Schedule 5 - Governmental Activities Tax Revenue by Source

Last Ten Fiscal Years (expressed in thousand)

continued below

Function	2025	2024	2023	2022	2021
Property Taxes	$ 105,159.7	$ 101,757.5	$ 92,628.9	$ 90,230.2	$ 88,671.1
Sales Taxes	92,722.2	87,330.9	86,650.4	85,720.1	76,996.5
Utility Taxes	83,413.2	78,532.8	72,603.1	69,632.8	67,637.4
Other Taxes	25,272.9	24,742.7	25,120.6	28,898.7	30,298.5
Total	$ 306,568.1	$ 292,363.9	$ 277,003.0	$ 274,481.7	$ 263,603.5

Function	2020	2019	2018	2017	2016
Property Taxes	$ 73,109.1	$ 78,516.9	$ 73,109.1	$ 71,597.4	$ 69,786.9
Sales Taxes	60,328.9	63,791.8	60,328.9	57,324.6	53,231.8
Utility Taxes	64,414.4	66,643.8	64,414.4	64,635.1	59,883.7
Other Taxes	24,944.3	24,224.0	24,944.3	19,056.3	16,588.5
Total	$ 222,796.7	$ 233,176.6	$ 222,796.7	$ 212,613.4	$ 199,490.9

Source: *City Accounting*

Revenue Capacity

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
Personal property - local	$ 875,055	$ 857,389	$ 879,033	$ 807,054	$ 843,334
Personal property - state	820,921	803,967	816,338	755,472	780,309
Real property	41,706,461	40,667,285	38,680,669	24,399,313	27,546,272
Tax-exempt property	(8,155,696)	(7,316,841)	(6,642,447)	245,731	(5,241,457)
Total taxable assessed value	35,246,741	35,011,800	33,733,593	26,207,570	23,928,458
Total direct tax rate[1]	3.022	2.951	2.988	3.451	3.715
Estimated actual taxable value	41,443,560	41,116,530	39,215,416	24,382,495	27,859,768
Taxable assessed value as a percentage of estimated actual taxable value	85.05%	85.15%	86.02%	107.49%	85.89%

[1]To be collected in the subsequent year.

Source: Spokane County Assessor

Revenue Capacity

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2015 Restated
Personal property - local	$ 799,996	$ 784,115	$ 790,199	$ 780,107	$ 762,159
Personal property - state	756,708	712,819	649,035	607,568	606,618
Real property	24,533,364	22,087,444	20,357,120	19,000,194	18,131,310
Tax-exempt property	(4,774,370)	(4,184,852)	(3,938,816)	(3,716,703)	(3,559,228)
Total taxable assessed value	21,315,698	19,399,527	17,857,537	16,671,166	15,940,859
Total direct tax rate	4.074	4.054	4.101	4.302	4.386
Estimated actual taxable value	24,868,278	22,456,003	20,917,898	19,217,887	20,540,024
Taxable assessed value as a percentage of estimated actual taxable value	85.71%	86.39%	85.37%	86.75%	77.61%

[1]To be collected in the subsequent year.

Source: Spokane County Assessor

Revenue Capacity

Schedule 7 - Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
CITY DIRECT RATES					
General Fund	1.756	1.709	1.734	2.175	2.556
EMS Fund	0.500	0.495	0.500	0.360	0.423
Public Safety	0.203	0.201	0.204	0.255	0.300
General Obligation Debt Service	0.094	0.094	0.097	0.125	0.154
UTGO 2015 Bond (Riverfront Park)/ UTGO 2018 Bond (Library)[1]	0.219	0.209	0.205	0.226	0.276
Fire Pension	0.251	0.244	0.248	0.311	0.365
Total city direct rates	3.022	2.951	2.988	3.451	4.074
OVERLAPPING RATES					
State	2.293	2.151	2.213	2.660	2.823
County	0.089	0.703	0.749	1.030	1.111
School District	3.843	3.828	3.801	4.520	4.205
Total overlapping rates	6.225	6.683	6.763	8.210	8.139
Total property tax rate (as restated)	9.247	9.634	9.751	11.660	12.213

[1]In December 2018, the City issued $73.6 million in unlimited tax general obligation bonds (UTGO Series 2018) Library bonds for capital improvements to the Library System

Source: Spokane County Assessor

Revenue Capacity

Schedule 7 - Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
CITY DIRECT RATES					
General Fund	2.556	2.766	2.892	3.031	3.083
EMS Fund	0.423	0.458	0.479	0.500	0.492
Public Safety	0.300	-	-	-	-
General Obligation Debt Service	0.154	0.141	0.184	0.196	0.222
UTGO 2015 Bond (Riverfront Park)/ UTGO 2018 Bond (Library)[1]	0.276	0.295	0.132	0.142	0.148
Fire Pension	0.365	0.395	0.413	0.433	0.441
Total city direct rates	4.074	4.054	4.101	4.302	4.386
OVERLAPPING RATES					
State	2.830	2.000	2.000	2.100	2.100
County	1.204	1.328	1.411	1.471	1.471
School District	4.195	5.656	5.914	5.972	5.972
Total overlapping rates	8.229	8.985	9.325	9.543	9.543
Total property tax rate (as restated)	12.303	13.039	13.426	13.845	13.929

Source: Spokane County Assessor

Revenue Capacity

Schedule 8 - Principal Property Tax Taxpayers

Current Fiscal Year and Nine Years Ago

	2025				2016		
Tax Payer	**Tax Assessed Valuation**	**Rank**	**Percent of Total Tax Assessed Valuation**	**Tax Payer**	**Tax Assessed Valuation**	**Rank**	**Percent of Total Tax Assessed Valuation**
Avista Corportation	408,486,447	1	1.16%	Avista Corporation	285,855,249	1	1.79%
Douglass, Harlan & Maxine	231,666,334	2	0.66%	Harlan D Douglass	162,848,547	2	1.02%
Cedar Chateau/Creek/Springs Property	148,630,472	3	0.42%	Spokane Washington Hospital Co LLC	115,100,398	3	0.72%
Harlan D Douglass Trust	120,189,000	4	0.34%	Cedar Chateau/Creek/Springs Property	103,262,503	4	0.65%
Hollister Stier Labs LLC	104,814,995	5	0.30%	Hollister Stier Labs LLC	92,699,988	5	0.58%
Comcast	87,244,827	6	0.25%	Providence Health & Services	89,276,896	6	0.56%
Providence Health & Services	84,925,066	7	0.24%	Northtown Mall	76,054,900	7	0.48%
DVP Grand Holdings LLC	84,446,980	8	0.24%	River Park Square LLC	63,004,117	8	0.40%
Washington Trust Bank	82,943,398	9	0.24%	Qwest Corporation	59,444,878	9	0.37%
River Park Square LLC	72,153,729	10	0.20%	Davenport Hotel/Tower	57,516,402	10	0.36%
Total	**1,425,501,248**		**4.04%**		**1,105,063,878**		**6.93%**

Spokane Assessed Valuation

2025	35,246,740,817
2016	15,940,859,000

Sources: Spokane County Assessor, Spokane County

Revenue Capacity

Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	106,262	103,150	100,605	90,230	88,671
Amount collected	103,349	100,036	97,659	88,443	86,622
Uncollected taxes in the levy year	2,913	3,115	2,945	1,787	2,049
Percentage collected in the first year	97.26%	96.98%	97.07%	98.02%	97.69%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,986	1,339	1,188	1,241	1,710
Total property tax collected	105,335	101,374	98,847	89,684	88,332
Total tax collected as a percentage of the current year levy [1]	99.13%	98.28%	98.25%	99.39%	99.62%

[1]If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

Source: Spokane County Assessor

Revenue Capacity

Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2016
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	86,620	78,517	73,109	71,597	69,787
Amount collected	82,447	76,803	70,832	69,839	67,854
Uncollected taxes in the levy year	4,172	1,714	2,277	1,758	1,933
Percentage collected in the first year	95.18%	97.82%	96.89%	97.54%	97.23%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	3,216	1,462	1,159	1,492	1,045
Total property tax collected	85,664	78,266	71,992	71,331	68,899
Total tax collected as a percentage of the current year levy [1]	98.90%	99.68%	98.47%	99.63%	98.73%

[1]If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

Source: Spokane County Assessor

Revenue Capacity

Schedule 10 - Sales Subject to Retail Sales Tax by Industry[1]

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
Retail Trade:					
Building materials, garden equipment and supplies	$ 284,630	$ 275,603	$ 298,396	$ 363,891	$ 372,572
General Merchandise stores	361,906	372,863	373,741	N/A	389,172
Motor vehicles and parts	614,856	564,553	578,490	587,677	607,767
All other retail sales	1,839,489	1,816,948	1,873,729	2,226,785	1,848,392
Total retail sales	3,100,881	3,124,356	3,124,356	3,178,353	3,217,903
Construction	1,007,088	1,193,392	1,118,467	1,065,479	1,020,683
Accomodations and food service	913,829	895,602	880,933	847,274	704,978
Wholesale trade	501,795	479,166	464,551	500,727	479,673
Information	295,854	259,182	247,723	236,145	209,241
Manufacturing	118,890	125,288	130,734	121,980	118,255
All other industries	1,274,308	1,219,470	1,154,937	1,060,193	951,369
Total sales subject to retail sales tax	$ 7,212,645	$ 7,296,456	$ 7,121,701	$ 7,010,150	$ 6,702,102
Direct sales tax rate as restated[2]	6.5%	6.5%	6.5%	6.5%	6.5%

[1] Industry classifications are based on North American Industry Classification System (NAICS) codes.

[2] State tax rate only; excludes local sales tax rate.

Source: Spokane County Assessor

Revenue Capacity

Schedule 10 - Sales Subject to Retail Sales Tax by Industry[1]

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2016
Retail Trade:					
Building materials, garden equipment and supplies	$ 333,358	$ 288,152	$ 262,862	$ 243,360	$ 226,808
General Merchandise stores	344,745	337,571	391,920	422,858	425,632
Motor vehicles and parts	471,473	482,281	457,313	474,805	444,880
All other retail sales	1,560,049	1,440,416	1,307,049	1,177,170	1,133,651
Total retail sales	2,709,626	2,548,419	2,419,144	2,318,192	2,230,971
Construction	867,520	896,813	820,472	764,351	613,964
Accomodations and food service	503,038	751,605	720,435	691,683	651,777
Wholesale trade	389,884	394,713	401,160	394,727	384,789
Information	209,715	217,988	222,678	226,566	214,650
Manufacturing	99,033	110,576	103,984	94,677	85,071
All other industries	754,696	781,300	722,295	645,866	611,762
Total sales subject ot retail sales tax	$ 5,533,511	$ 5,701,415	$ 5,410,167	$ 5,136,061	$ 4,792,984
Direct sales tax rate as restated[2]	6.5%	6.5%	6.5%	6.5%	6.5%

[1] Industry classifications are based on North American Industry Classification System (NAICS) codes.

[2] State tax rate only; excludes local sales tax rate.

Source: Spokane County Assessor

Revenue Capacity

Schedule 11 - Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	1.0763	0.9763	0.9763	0.9763	0.9763
County	0.5412	0.5412	0.5412	0.5412	0.5412
Spokane Transit	0.7940	0.7940	0.7940	0.7940	0.7940
Department of Revenue Administration	0.0210	0.0210	0.0210	0.0210	0.0210
Other Cities	0.0685	0.0685	0.0685	0.0685	0.0685
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	9.1000	9.0000	9.0000	9.0000	9.0000

COMPONENTS OF CURRENT YEAR SALES TAX RATE

State	6.500
Local[1]	1.000
Public Safety	0.200
Criminal Justice	0.100
Spokane Transit	0.800
Juvenile Detention and Facilities	0.100
Public Facilities Disctrict	0.100
Mental Health	0.100
Emergency Communications and Equipment	0.100
Housing & Related Services	0.100
Total	9.100

[1] Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW 82.14.030.

Source: Washington State Department of Revenue Sales Tax Distribution Summary

Revenue Capacity

Schedule 11 - Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8763	0.8763	0.8763	0.8763	0.8763
County	0.5412	0.5412	0.5412	0.5412	0.5412
Spokane Transit	0.7940	0.7940	0.6940	0.6940	0.5940
Department of Revenue Administration	0.0210	0.0210	0.0210	0.0210	0.0210
Other Cities	0.0685	0.0685	0.0685	0.0685	0.0685
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.9000	8.9000	8.8000	8.8000	8.7000

[1] Taxable retail sales based upon Local .05-1.00% county/city sales tax colle [1] Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW

Source: Washington State Department of Revenue Sales Tax Distribution Summary

Revenue Capacity

Schedule 12 - Number of Retail Sales Taxpayers by Industry[1]

Current Fiscal Year and Nine Years Ago

2025				2016			
Industry	**Number of Businesses**	**Rank**	**Percent of Total Businesses**	**Industry**	**Number of Businesses**	**Rank**	**Percent of Total Businesses**
Retail trade	14,621	1	42.1%	Retail trade	7,086	1	33.4%
Wholesale trade	4,266	2	12.3%	Wholesale trade	3,197	2	15.1%
Construction	3,365	3	9.7%	Construction	2,846	3	13.4%
Professional, scientific, and technical services	2,557	4	7.4%	All other industries3	1,659	4	7.8%
Manufacturing	2,431	5	7.0%	Manufacturing	1,493	5	7.0%
Information	2,232	6	6.4%	Professional, scientific, and technical services	1,430	6	6.7%
Management, education, and health services	1,927	7	5.6%	Management, education, and health services	1,423	7	6.7%
All other industries[3]	1,374	8	4.0%	Other services2	1,129	8	5.3%
Other services[2]	1,186	9	3.4%	Accommodations and food services	684	9	3.2%
Accommodations and food services	746	10	2.1%	Arts, entertainment, and recreation	286	10	1.3%
Total	34,705		100.00%		21,233		100.00%

[1] Industry classifications are based on North American Industry Classification System (NAICS) codes.

[2]Other services consist of repair and maintenance, personal service, and religious, civic, and other organizations.

[3] All other industries include real estate and rental leasing, agriculture, mining, utilities, transporation and warehousing, finance and insurance, and recreation.

Other services[2]
All other industries[3]

Source: Washington State Department of Revenue

Debt Capacity

Schedule 13 - Ratios of Outstanding Debt by Type[1]

Last Ten Fiscal Years (expressed in thousands except per capita)

continued

	2025	2024	2023	2022	2021
Governmental Activities[1]					
General obligation bonds	178,280	183,685	194,256	199,950	205,039
Special assessment bonds	-	-	-	-	-
Direct borrowings	4,247	8,080	11,854	14,598	18,125
Revitalization areas	672	1,131	1,532	1,864	2,202
Public Works Trust Fund loans	-	-	59	118	176
Leases	4,084	4,336	5,072	4,300	-
Subscriptions	3,935	6,035	6,835	-	-
Promissory notes	200	200	200	200	200
Total governmental activities debt	191,418	203,467	219,809	221,030	225,742
Business-Type Activities[1]					
General obligation bonds	-	-	-	-	-
Golf revenue bond	-	-	-	-	-
Solid Waste revenue bond	-	-	-	-	-
Water/Wastewate revenue bond	101,125	110,310	119,060	127,390	135,325
Public Works Trust Fund loans/state revolving loans[5]	113,706	113,697	110,253	108,129	100,198
Leases	3,335	3,759	2,233	2,710	288
Total business-type activities debt	218,166	227,766	231,547	238,229	235,811
Total primary government debt	409,584	431,233	451,356	459,259	461,553
Debt Ratios					
Total Primary Government					
Ratio of total debt to personal income[2]	57.26%	64.56%	72.55%	77.92%	82.96%
Total debt per capita[3]	1,745.14	1,850.79	1,940.51	1,988.99	2,012.00
General Bond Debt					
Ratio of general bonded debt to taxable value of property[4]	0.51%	0.52%	0.58%	0.59%	0.86%
General bonded debt per capita[3]	759.61	788.35	834.79	865.96	893.80

[1] Refer to Note 9 for long-term liability activity.

[2] Personal income data can be found in Schedule 17.

[3] Population data can be found in Schedule 18.

[4] Taxable value of property can be found in Schedule 6.

[5]Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Source: City of Spokane Accounting

Debt Capacity

Schedule 13 - Ratios of Outstanding Debt by Type[1]

Last Ten Fiscal Years (expressed in thousands except per capita)

continued

	2020	2019	2018	2017	2016 Restated
Governmental Activities					
General obligation bonds	209,569	237,846	244,288	176,408	184,534
Special assessment bonds	-	-	5	115	180
Direct borrowings	21,602	-	-	-	-
Revitalization areas	2,520	2,819	3,053	3,291	3,429
Public Works Trust Fund loans	289	402	515	628	741
	-	-	-	-	-
	-	-	-	-	-
Promissory notes	200	200	200	200	325
Total Governmental Activities Debt	234,181	241,267	248,061	180,642	189,209
Business-Type Activities					
General obligation bonds	-	-	-	-	-
Golf revenue bond	-	-	-	-	-
Solid Waste revenue bond	-	-	-	-	-
Water/Wastewater bond	142,880	150,080	156,935	163,465	169,680
Public Works Trust Fund loans/state revolving loans[5]	105,249	106,995	67,608	65,226	52,528
Capital leases	362	68	157	243	326
Total Business-type Activities Debt	248,490	257,144	224,700	228,935	222,534
Total Primary Government Debt	482,671	498,410	472,761	409,577	411,743
Debt Ratios					
Total Primary Government					
Ratio of total debt to personal income[2]	91.82%	100.85%	103.32%	98.26%	0.99%
Total debt per capita[3]	2,173.40	2,245.09	2,150	1,864	1,920
General Bond Debt					
Ratio of general bonded debt to taxable value of property[4]	0.98%	1.23%	1.37%	1.05%	1.16%
General bonded debt per capita[3]	943.66	1,071.38	1,110	803	860

[1] Refer to Note 9 for long-term liability activity.

[2] Personal income data can be found in Schedule 17.

[3] Population data can be found in Schedule 18.

[4] Taxable value of property can be found in Schedule 6.

[5]Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Source: City of Spokane Accounting

Debt Capacity

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property[1]	35,246,741	35,011,800	33,733,593	26,207,570	23,928,458
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	2,643,506	2,625,885	2,530,020	1,965,568	1,794,634
Debt applicable to the limit[2]:					
General obligation bonds	178,280	183,685	194,256	199,950	205,039
Promissory notes	200	200	200	200	200
Compensated absences[3]	-	-	-	-	-
OPEB (other postemployment benefit) liability[3]	-	-	-	-	-
Less assets available from GO Bond Fund	(7,170)	(6,947)	(7,065)	(6,947)	(7,535)
Total net debt applicable to the debt limit	171,310	176,938	187,391	193,204	197,703
Legal debt margin	$ 2,472,196	$ 2,448,947	$ 2,342,629	$ 1,772,364	$ 1,596,931
Ratio of net debt applicable to the debt limit	6.48%	6.74%	7.41%	9.83%	11.02%

[1] Taxable value of property can be found in Schedule 6.

[2] Refer to Note 9 for long-term liability activity.

[3]Excluded from the calculation beginning in 2015

Source: City of Spokane Accounting

Debt Capacity

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2016 Restated
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property[1]	21,315,698	19,399,527	17,857,537	16,671,166	15,940,859
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	1,598,677	1,454,964	1,339,315	1,250,337	1,195,564
Debt applicable to the limit[2]:					
General obligation bonds	209,569	237,846	244,288	176,408	184,534
Promissory notes	200	200	200	200	325
Compensated absences	-	17,066	16,691	16,018	16,946
OPEB (other postemployment benefit) liability	-	-	-	-	-
Less assets available from GO Bond Fund	(7,537)	(7,371)	(7,984)	(8,115)	(3,574)
Total net debt applicable to the debt limit	202,232	247,741	253,195	184,511	198,231
Legal debt margin	$ 1,396,445	$ 1,207,223	$ 1,086,120	$ 1,065,826	$ 997,333
Ratio of net debt applicable to the debt limit	12.65%	17.03%	18.90%	14.76%	16.58%

[1] Taxable value of property can be found in Schedule 6.

[2] Refer to Note 9 for long-term liability activity.

[3]Excluded from the calculation beginning in 2015

Source: City of Spokane Accounting

Debt Capacity

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	$ -	$ -	$ -	$ -	$ -
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio	-	-	-	-	-
GOLF REVENUE BONDS					
Gross Revenues	$ -	$ -	$ -	$ -	$ -
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio[2]	-	-	-	-	-
SPECIAL ASSESSMENT DEBT[1]					
Gross Revenues	$ 16	$ 56	$ 126	$ 132	$ 147
Operating Expenses	-	-	-	-	-
Net Available Revenue	16	56	126	132	147
Debt Service:					
Principal	92	89	94	115	181
Interest	5	7	10	14	22
Coverage Ratio	0.17	0.58	1.21	1.03	0.73
WATER/WASTEWATER REVENUE BONDS[1,3]					
Gross Revenues	$ 186,308	$ 175,980	$ 170,129	$ 162,616	$ 161,813
Operating Expenses	147,998	136,787	132,858	110,652	104,888
Net Available Revenue	38,310	39,193	37,271	51,964	56,925
Debt Service:					
Principal	9,185	8,750	8,330	7,935	7,555
Interest	4,364	4,802	5,218	5,615	5,993
Coverage Ratio	2.83	2.89	2.75	3.84	4.20

[1] Refer to Note 9 for long-term liability activity.

[2]The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.

[3]Operating expenses for Golf and Water/Wastewater do not include depreciation.

Source: City of Spokane Accounting

Debt Capacity

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2016
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	$ -	$ -	$ -	$ -	$ -
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio	-	-	-	-	-
GOLF REVENUE BONDS					
Gross Revenues	$ -	$ -	$ -	$ -	$ -
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio[2]	-	-	-	-	-
SPECIAL ASSESSMENT DEBT[1]					
Gross Revenues	$ 365	$ 502	$ 482	$ 482	$ 777
Operating Expenses	-	-	-	-	-
Net Available Revenue	365	502	482	482	777
Debt Service:					
Principal	247	317	297	297	674
Interest	71	48	59	59	85
Coverage Ratio	1.15	1.37	1.35	1.35	1.02
WATER/WASTEWATER REVENUE BONDS[1,3]					
Gross Revenues	$ 152,285	$ 141,700	$ 141,700	$ 135,391	$ 130,179
Operating Expenses	105,003	97,364	97,364	94,058	91,277
Net Available Revenue	47,282	44,336	44,336	41,333	38,902
Debt Service:					
Principal	7,200	6,855	6,530	6,215	5,920
Interest	6,353	6,695	7,022	7,333	7,629
Coverage Ratio	3.49	3.27	3.27	3.05	2.87

[1] Refer to Note 9 for long-term liability activity.

[2]The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.

[3]Operating expenses for Golf and Water/Wastewater do not include depreciation.

Source: City of Spokane Accounting

Debt Capacity

Schedule 16 - Direct and Overlapping Debt

As of December 31, 2025 (expressed in thousands)

Jurisdiction	Debt Outstanding[1]	Percentage Applicable to City[2]	Estimated Amount of Overlapping Debt
City of Spokane	$ 178,280	100.00%	$ 178,280
Overlapping:			
Spokane County	174,179	41.45%	72,197
School District #81	579,895	90.49%	524,747
Mead School District #354	140,710	22.01%	30,970
Cheney School District #360	92,680	20.21%	18,731
West Valley School District #363	758	1.53%	12
Liberty School District #362	5,495	0.01%	1
Total Other Jurisdictions	993,717		646,658
Total direct and overlapping debt	**$ 1,171,997**		**$ 824,938**
Direct and overlapping debt per capita	4,994		3,515

[1]Total general obligation debt outstanding at December 31, excluding refunded debt.

[2]Determined by ratio of 2013 assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Source: Spokane County

Demographic Information

Schedule 17 - Demographic and Economic Statistics
City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in millions except per capita)

continued

	2025	2024	2023	2022	2021
City of Spokane[5]					
Personal income2 (thousands of dollars)	NA	$ 13,241	$ 13,470	$ 12,381	$ 12,222
Percent change	NA	-1.70%	8.80%	1.30%	7.94%
Per capita[2]	NA	56,830	57,886	53,620	53,278
Median age[1]	-	-	-	-	-
School enrollment[3]	29,575	29,690	29,459	29,399	29,082
Unemployment rate[4]	5.08	4.87	5.20	5.60	4.30
Consumer price index (CPI)[4]	341.85	332.95	323.83	310.51	287.49
CPI percent change	2.67%	2.81%	4.29%	8.01%	4.52%
State of Washington[1]					
Personal income [5]	$ 715,263	$ 667,991	$ 622,365	$ 589,368	$ 556,327
Percent change	7.08%	7.33%	5.60%	5.94%	5.84%
Per capita	89,396	83,938	79,659	75,698	71,889

Sources:

[1]Washington State Office of Financial Management
[2]U.S. Bureau of Economic Analysis
[3]Spokane Public Schools District
[4]U.S. Bureau of Labor Statistics
[5]Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

Demographic Information

Schedule 18 - Population Comparison
City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
City of Spokane1					
Population	234.7	233.0	232.7	230.9	229.4
Net Increase (Decrease)	1.7	0.3	1.8	1.5	0.4
Percent change	0.7%	0.1%	0.8%	0.7%	0.2%
Components of change: (Birth & Death Rates)					
Births	NA	NA	NA	NA	NA
Deaths	NA	NA	NA	NA	NA
Net migration	NA	NA	NA	NA	NA
State of Washington[1]					
Population	8,115.1	8,035.7	7,951.2	7,864.4	7,767.0
Net Increase (Decrease)	79.40	84.55	86.75	97.42	110.78
Percent change	0.99%	1.06%	1.10%	1.25%	1.45%
Components of change:					
Births	83.6	80.9	83.2	85.0	82.8
Deaths	65.9	65.4	68.8	71.2	65.0
Net migration	97	100	101	111	129

Source:

[1]Washington State Office of Financial Management

Demographic Information

Schedule 17 - Demographic and Economic Statistics

City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in millions except per capita)

concluded

	2020	2019	2018	2017	2016 Restated
City of Spokane[5]					
Personal income[2]	$ 11,323	$ 10,618	$ 10,103	$ 9,553	$ 8,883
Percent change	6.65%	5.09%	13.73%	7.54%	4.88%
Per capita[2]	49,449	47,827	45,903	43,962	41,414
Median age[1]	-	-	-	-	37.68
School enrollment[3]	29,036	31,224	30,795	30,817	30,455
Unemployment rate[4]	6.90	5.40	5.40	5.60	6.50
Consumer price index (CPI)[4]	275.06	270.35	263.26	254.74	247.71
CPI percent change	1.74%	2.69%	3.35%	2.84%	1.93%
State of Washington[1]					
Personal income	$ 525,643	$ 494,189	$ 458,017	$ 416,816	$ 397,772
Percent change	6.36%	7.90%	9.88%	4.79%	4.69%
Per capita	68,322	64,898	56,283	54,632	53,119

Sources:

[1]Washington State Office of Financial Management

[2]U.S. Bureau of Economic Analysis

[3]Spokane Public Schools District

[4]U.S. Bureau of Labor Statistics

[5]Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

Demographic Information

Schedule 18 - Population Comparison

City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

	2020	2019	2018	2017	2016 Restated
City of Spokane1					
Population	229.0	222.0	220.1	217.3	214.5
Net Increase (Decrease)	7.0	1.9	2.8	2.8	1.4
Percent change	3.1%	0.9%	1.3%	1.3%	0.7%
Components of change:					
Births	NA	NA	NA	NA	3.5
Deaths	NA	NA	NA	NA	NA
Net migration	NA	NA	NA	NA	NA
State of Washington1					
Population	7,656.2	7,546.4	7,427.6	7,310.0	7,183.7
Net Increase (Decrease)	109.79	118.84	117.57	126.30	122.70
Percent change	0.0	1.60%	1.61%	1.76%	1.74%
Components of change:					
Births	85.1	87.1	92.0	91.2	90.0
Deaths	58.8	58.3	58.4	55.4	54.6
Net migration	136	148	151	162	158

Source:

[1]Washington State Office of Financial Management

Demographic Information

Schedule 19 - Annual Average Civilian Labor Force Unemployment Rates
City of Spokane (MSA) vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

continued

	2025	2024	2023	2022	2021
City of Spokane (MSA) [1,*]					
Civilian labor force	287,194	280,099	292,879	290,945	285,074
Employment	272,592	266,447	277,638	276,970	274,089
Total unemployment	14,602	13,652	15,241	13,975	10,985
Unemployment percentage rate	5.1%	4.9%	5.2%	4.8%	3.9%
State of Washington[1]					
Civilian labor force	4,056,796	4,050,286	4,021,711	4,015,286	3,943,843
Employment	3,842,390	3,877,510	3,834,841	3,832,769	3,766,702
Total unemployment	214,406	172,776	186,870	182,517	177,141
Unemployment percentage rate	5.3%	4.3%	4.6%	4.5%	4.5%

Source:
[1]Washington State Office of Financial Management

Demographic Information

Schedule 19 - Annual Average Civilian Labor Force Unemployment Rates
City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

concluded

	2020	2019	2018	2017	2015
City of Spokane[1]					
Civilian labor force	257,926	282,830	267,611	263,374	257,588
Employment	238,595	268,890	252,575	248,715	240,596
Total unemployment	19,331	13,940	15,036	14,659	16,993
Unemployment percentage rate	7.5%	4.9%	5.6%	5.6%	6.6%
State of Washington[1]					
Civilian labor force	3,830,416	3,945,375	3,822,984	3,725,000	3,644,000
Employment	3,590,957	3,786,562	3,652,583	3,547,000	3,446,000
Total unemployment	239,459	158,813	170,401	178,000	198,000
Unemployment percentage rate	6.3%	4.0%	4.5%	4.8%	5.4%

Source:
[1]Washington State Office of Financial Management

Demographic Information

Schedule 20- Principal Employers

Current Fiscal Year and Nine Years Ago
for Spokane County Employers

2025			2016		
Employer	**Rank**	**Number of Employees**	**Employer**	**Rank**	**Number of Employees**
State of Washington	1	6,587	Fairchild Air Force Base	1	6,000
Amazon.com Inc	2	6,459	Providence Health Care	2	5,326
Providence Inland Northwest Washington	3	6,118	State of Washington	3	5,216
Spokane Public Schools	4	3,658	Spokane Public Schools	4	2,914
Multicare - Inland Northwest Region	5	3,426	City of Spokane	5	2,089
Spokane County	6	1,856	Spokane County	6	2,082
Spokane Colleges	7	1,782	Kalispel Tribal Economic Authority	7	1,489
Central Valley School District	8	1,694	Central Valley School District	8	1,441
Kalispel Tribal Economic Authority	9	1,648	Walmart Stores Inc.	9	1,434
CHAS Health	10	1,525	URM Stores Inc.	10	1,417
Total		34,753			29,408
Percentage of Spokane Metropolitan Statistical Area (MSA)		12.75%			12.32%

Operating Information

Schedule 21 - Full Time Equivalent Staff Comparison

Last Ten Fiscal Years (expressed in millions except per capita)

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	330.7	336.4	345.7	334.7	323.2	314.2	304.0	303.0	291.0	289.8
Public safety	943.1	952.6	959.6	918.6	890.6	882.6	887.8	885.8	893.8	840.0
Utilities environment	618.0	616.0	608.0	595.0	592.0	577.0	565.0	577.0	573.0	569.5
Transportation	201.0	210.0	205.0	205.0	203.0	204.0	203.0	198.0	185.0	184.0
Economic environment	100.8	96.3	98.3	93.8	87.8	82.4	82.5	62.5	52.0	49.8
Mental and physical health	13.4	14.9	10.9	11.4	11.4	11.4	10.5	10.5	10.0	5.5
Culture and recreation	220.5	218.5	203.8	202.8	192.6	192.6	196.7	188.7	179.3	176.6
Total	2,427.5	2,444.8	2,431.3	2,361.3	2,300.6	2,264.2	2,249.4	2,225.4	2,184.1	2,115.2
Percentage change	-0.7%	0.6%	3.0%	2.6%	1.6%	0.7%	1.1%	1.9%	3.3%	1.8%

Source: City of Spokane Accounting

Operating Information

Schedule 22 - Operating and Capital Asset Indicators by Function

General Government

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
MUNICIPAL COURT[1]					
Number of Filings:					
Parking	28,747	16,720	36,393	28,247	18,254
Infraction	8,774	7,866	6,052	8,380	6,505
Criminal	7,982	8,312	6,405	5,787	5,755
Total filings	**45,503**	32,898	48,850	42,414	30,514

[1] Does not include photo red violations.

Source: City of Spokane Accounting

Operating Information

Schedule 22 - Operating and Capital Asset Indicators by Function

General Government

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
MUNICIPAL COURT[1]					
Number of Filings:					
Parking	31,526	44,899	51,643	58,523	59,261
Infraction	7,406	9,455	10,521	10,242	11,537
Criminal	6,473	8,604	7,773	7,215	7,326
Total filings	45,405	62,958	69,937	75,980	78,124

[1] Does not include photo red violations.

Source: City of Spokane Accounting

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function

Public Safety

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
POLICE DEPARTMENT					
Adult Arrests	4,245	4,795	4,447	3,932	4,359
Juvenile Arrests	362	293	349	161	176
Property Crimes:					
Burglary	1,233	1,521	2,010	1,900	1,720
Larceny	8,231	8,795	9,489	10,057	8,677
Auto Theft	837	1,279	1,660	1,866	1,199
Arson	70	129	88	75	113
Total property crimes	**10,371**	**11,724**	13,247	13,898	11,709
Violent Crimes:					
Homicide	8	16	21	18	14
Forcible Rape[1]	19	180	228	214	247
Robbery	271	337	342	309	271
Aggravated Assault	964	1,038	965	918	885
Total violent crimes	**1,262**	**1,571**	1,556	1,459	1,417
Number of stations	5	5	5	5	5
Number of patrol units	22	22	22	18	18
Number of police vehicles	408	416	390	398	384
Number of motorcycles	12	16	16	16	16
FIRE DEPARTMENT					
Incident response					
Alarm system	2,838	2,431	4,386	2,394	2,244
Structure fire	414	2,627	3,819	3,108	2,944
Service call	532	514	553	625	533
Hazardous materials	465	429	821	447	376
Vehicle Fire	211	237	295	236	200
Brush/wildland fire	345	221	710	207	299
Extrication	38	47	508	75	86
Miscellaneous	4,153	691	746	88	119
Total incident response	**8,996**	**7,197**	11,838	7,180	6,801
Emergency Response					
Basic life support	20,561	20,116	17,633	24,306	22,405
Advanced life support	26,165	24,499	31,517	18,209	17,831
Motor vehicle accident	3,050	2,595	3,229	2,803	2,823
Ambulance transfer only	207	9	4	5	3
Total emergency response	**49,983**	**47,219**	52,383	45,323	43,062
Inspections conducted	16,569	19,232	17,547	16,741	8,260
Number of fire stations	16	16	16	16	16

Source: City of Spokane Accounting

[1]Guidelines for defining rape were changed in 2013

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function

Public Safety

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
POLICE DEPARTMENT					
Adult Arrests	5,550	6,240	6,347	4,663	6,576
Juvenile Arrests	309	458	342	457	330
Property Crimes:					
Burglary	1,897	1,643	2,157	2,015	1,999
Larceny	9,417	10,083	12,473	11,319	8,948
Auto Theft	1,154	1,264	1,760	1,654	1,498
Arson	107	44	45	48	28
Total property crimes	12,575	13,034	16,435	15,036	12,473
Violent Crimes:					
Homicide	21	6	8	6	7
Forcible Rape[1]	209	197	302	186	113
Robbery	284	284	293	212	239
Aggravated Assault	775	1,023	1,093	831	566
Total violent crimes	1,289	1,510	1,696	1,235	925
Number of stations	5	5	5	5	4
Number of patrol units	18	18	18	18	18
Number of police vehicles	373	350	335	326	312
Number of motorcycles	18	16	16	12	13
FIRE DEPARTMENT					
Incident response					
Alarm system	2,330	2,377	2,136	2,206	1,817
Structure fire	2,391	2,000	1,896	1,869	1,647
Service call	566	537	521	548	469
Hazardous materials	353	400	367	382	359
Vehicle Fire	178	188	170	182	175
Brush/wildland fire	224	142	206	215	152
Extrication	65	58	61	66	46
Miscellaneous	96	62	62	90	37
Total incident response	6,203	5,764	5,419	5,558	4,702
Emergency Response					
Basic life support	19,308	19,919	19,807	18,979	18,971
Advanced life support	16,116	16,845	16,208	15,158	12,710
Motor vehicle accident	2,437	2,820	2,816	2,771	2,691
Ambulance transfer only	-	4	5	12	
Total emergency response	37,861	39,588	38,836	36,920	34,372
Inspections conducted	10,873	11,539	11,945	10,558	10,854
Number of fire stations	16	16	16	16	16

Source: City of Spokane Accounting

[1]Guidelines for defining rape were changed in 2013

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function

Public Safety

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	-	-	-	-	-
Number of illegal dumps - right of way	-	-	-	-	-
Number of illegal dumps - combined (after 4/2018)	832	688	1,011	1,250	1,193
Number of zoning violations	1,349	862	1,474	1,189	1,409
Number of noise variances	-	-	-	-	-
Number of fire hazard complaints	211	179	246	244	194
Number of building official complaints	243	283	213	164	2
Number of junk vehicle reports	138	68	59	70	153
Number of solid waste complaints	865	844	1,625	1,776	1,867
Number of miscellaneous complaints[1]	-	-	-	-	-
Number of graffiti complaints[1]	1,116	297	358	361	300
Number of illegal camping complaints[1]	4,619	5,268	4,619	3,375	2,248
Number of ROW violations[1]	947	500	560	406	399
Number of snow on the sidewalk complaints[1]	76	59	176	94	38
Number of initial inspections with 'no violation'[2]	2,355	2,684	2,132	1,650	2,444
Total complaints	12,751	11,732	12,473	10,579	10,247
BUILDING DEPARTMENT					
Residential permits issued	4,721	4,942	4,291	4,356	3,989
Commercial permits issued	767	822	772	787	920
Total permits issued	5,488	5,764	5,063	5,143	4,909
Residential permit values (expressed in thousands)	272,988	407,164	353,990	255,609	321,081
Commercial permit values (expressed in thousands)	175,297	361,844	166,967	402,125	314,768
Total permit values	448,285	769,008	520,957	657,734	635,849

Source: City of Spokane Accounting

[1] Miscellaneous complaints category replaced in 2019 with more detailed complaint designations

[2] Code complaint inspections that resulted in no violation - new designation in 2020

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function

Public Safety

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	-	-	12	60	80
Number of illegal dumps - right of way	-	-	226	723	785
Number of illegal dumps - combined (after 4/2018)	893	705	1,053	-	-
Number of zoning violations	1,284	874	1,103	704	755
Number of noise variances	-	-	1	-	-
Number of fire hazard complaints	196	195	336	266	211
Number of building official complaints	21	220	355	314	286
Number of junk vehicle reports	130	196	338	542	396
Number of solid waste complaints	1,718	1,112	1,656	1,042	1,165
Number of miscellaneous complaints[1]	-	-	2	2	2
Number of graffiti complaints[1]	479	239	-	-	-
Number of illegal camping complaints[1]	904	956	-	-	-
Number of ROW violations[1]	451	434	-	-	-
Number of snow on the sidewalk complaints[1]	50	226	-	-	-
	1,668				
Total complaints	7,794	5,157	5,082	3,653	3,680
BUILDING DEPARTMENT					
Residential permits issued	3,208	3,751	2,883	3,708	5,200
Commercial permits issued	884	723	905	945	1,139
Total permits issued	4,092	4,474	3,788	4,653	6,339
Residential permit values (expressed in thousands)	197,352	174,541	184,044	216,450	198,456
Commercial permit values (expressed in thousands)	388,025	227,045	274,544	299,192	214,319
Total permit values	585,377	401,586	458,588	515,642	412,775

Source: City of Spokane Accounting

Operating Information

Schedule 24 - Operating and Capital Asset Indicators by Function

Transportation

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
STREET DEPARTMENT					
Number of parking violations	28,747	16,720	36,393	28,247	36,731
Street resurfacing (lane miles)	15	16	16	14	18
Grind and overlay (square yards)	144,152	132,890	126,077	124,540	113,197
Skin patch (square yards)	4,387	26,487	31,046	9,989	16,767
Potholes repaired (square yards)-	15,021	18,243	21,905	16,642	8,166
Deicer applied (expressed in thousand gallons)	398	517	836	1,700	1,125
Traction sand applied (tons)	660	1,399	1,818	3,946	9,160
Salt/Delcer (tons)	1,670	368	222	1,193	885
Miles of streets:					
Cement concrete pavement	12	12	12	11	11
Asphalt plant or road mix	936	934	934	934	934
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	24	24	24	24	24
Dirt and unimproved	29	30	30	30	31
Brick	3	3	3	3	3
Total street miles	1,002	1,002	1,002	1,002	1,002
Miles of sidewalks	1,344	1,205	1,317	1,314	1,308
Number of street lights[1]	12,467	12,451	12,311	13,634	12,444
Number of traffic signals	281	277	276	271	271
Number of parking meters	2,084	3,106	2,493	3,160	2,874
Number of parking kiosks	58	7	7	10	9
Number of bridges	36	37	37	37	35

[1] Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Salt/Deicer (added in 2017)

Parking Kiosks (added in 2017)

Source: City of Spokane Accounting

Number of parking violations - Chris Goe

Operating Information

Schedule 24 - Operating and Capital Asset Indicators by Function

Transportation

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
STREET DEPARTMENT					
Number of parking violations	31,526	44,899	51,660	64,526	69,229
Street resurfacing (lane miles)	16	15	13	14	18
Grind and overlay (square yards)	109,224	93,036	114,753	134,439	109,827
Skin patch (square yards)	-	17,640	33,900	46,492	7,718
Potholes repaired (square yards)	10,797	14,968	15,556	21,344	10,934
Deicer applied (expressed in thousand gallons)	1,449	1,624	1,104	1,760	982
Traction sand applied (tons)	1,875	2,574	1,608	8,048	2,586
	1,145	662	254	360	2
Miles of streets:					
Cement concrete pavement	11	10	11	11	10
Asphalt plant or road mix	934	934	932	932	931
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	25	25	25	25	25
Dirt and unimproved	31	31	31	31	31
Brick	3	3	3	3	3
Total street miles	1,002	1,002	1,002	1,001	1,000
Miles of sidewalks	1,304	1,226	1,198	1,218	1,282
Number of street lights[1]	12,737	12,675	12,645	12,462	12,430
Number of traffic signals	270	269	267	264	263
Number of parking meters	3,195	3,219	3,309	3,321	3,331
	10	10	10	10	
Number of bridges	39	39	40	40	40

[1] Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Source: City of Spokane Accounting

Operating Information

Schedule 25 - Operating and Capital Asset Indicators by Function

Utilities Environment

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
WATER DEPARTMENT					
Miles of water mains	1,103	1,094	1,082	1,077	1,073
Number of fire hydrants	7,874	7,852	7,700	7,637	7,583
Storage capacity (expressed in million gallons)	117	106	106	106	106
Number of service connections/water customers	87,534	86,882	83,502	86,882	84,621
Number of new connections	661	3,380	(3,380)	2,261	1,360
Average daily production (expressed in thousand gallons)	67,690	64,809	62,582	60,482	67,035
Peak daily production (expressed in thousand gallons)	134,975	135,450	133,769	141,285	149,701
WASTEWATER DEPARTMENT					
Number of accounts/wastewater customers	75,941	75,496	75,001	74,243	73,997
Sanitary sewers (expressed in miles)	896	878	871	883	881
Storm sewers (expressed in miles)	368	365	363	362	357
Daily treatment capacity (expressed in thousand gallons)	56,400	56,400	56,400	41,200	56,000
Average daily treatment (expressed in thousand gallons)	34,318	32,651	28,494	29,571	27,810
SOLID WASTE DEPARTMENT[1]					
Electrical generation (expressed in annual mwh)	163,179	160,625	152,116	106,279	147,047
Solid waste disposed (expressed in tons)	283,766	331,633	335,384	330,681	327,018
Ash generated by waste-to-energy facility (expressed in tons	69,670	65,704	60,319	59,371	63,248
Ferrous metals recovered (expressed in tons)	59	8,405	8,412	8,411	9,545
Recycled materials collected (expressed in tons):					
Single Stream residential/commercial collection[2]	16,346	16,793	17,131	18,135	18,742
Collection Point Sources (expressed in tons):					
Transfer station recycling centers	2,298	1,947	2,083	2,099	2,456
City Hall recycling program	N/A	N/A	N/A	N/A	N/A
Centralized composting[4]	9,294	8,393	9,370	6,114	9,752
Household hazardous waste[4]	112	103	99	105	138

[1]The Solid Waste fund is composed of two departments: Solid Waste Collection is curbside sollection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

[2]City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

[3]Curbside and commercial numbers are no longer separated

[4]Compost and HHW numbers no longer include the transfer station amounts in 2015

Source: City of Spokane Accounting

Operating Information

Schedule 25 - Operating and Capital Asset Indicators by Function

Utilities Environment

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
WATER DEPARTMENT					
Miles of water mains	1,073	1,072	1,071	1,064	1,059
Number of fire hydrants	7,583	7,554	7,534	7,459	7,402
Storage capacity (expressed in million gallons)	106	106	106	106	106
Number of service connections	83,267	82,681	81,740	78,437	76,500
Number of new connections	586	516	609	498	580
Average daily consumption (expressed in thousand gallons)	63,227	62,920	65,194	63,202	60,968
Peak daily consumption (expressed in thousand gallons)	198,685	149,691	150,546	166,035	112,583
WASTEWATER DEPARTMENT					
Number of service connections	73,596	73,407	72,481	72,261	71,211
Sanitary sewers (expressed in miles)	881	878	876	876	873
Storm sewers (expressed in miles)	358	356	353	355	353
Daily treatment capacity (expressed in thousand gallons)	56,000	56,000	56,000	56,000	56,000
Average daily treatment (expressed in thousand gallons)	29,475	30,705	33,360	37,510	30,172
SOLID WASTE MANAGEMENT DEPARTMENT[1]					
Electrical generation (expressed in annual mwh)	152,220	148,088	151,327	142,139	150,707
Solid waste disposed (expressed in tons)	312,830	308,802	297,309	293,959	279,185
Ash generated by waste-to-energy facility (expressed in tons)	66,682	63,906	67,627	67,356	70,978
Ferrous metals recovered (expressed in tons)	9,894	9,501	9,263	9,228	9,479
Recycled materials collected (expressed in tons):					
Single Stream residential/commercial collection	21,128	20,650	21,483	21,762	20,878
Collection Point Sources (expressed in tons):					
Transfer station recycling centers	2,086	2,326	2,344	2,137	2,157
City Hall recycling program	N/A	N/A	N/A	N/A	N/A
Centralized composting	8,812	10,011	9,751	8,972	10,249
Household hazardous waste	101	112	108	120	109

[1]The Solid Waste fund is composed of two departments: Solid Waste Collection is curbside sollection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

[2]City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

[3]Curbside and commercial numbers are no longer separated

[4]Compost and HHW numbers no longer include the transfer station amounts in 2015

Source: City of Spokane Accounting

Operating Information

Schedule 26 - Operating and Capital Asset Indicators by Function

Culture and Recreation

Last Ten Fiscal Years

continued

	2025	2024	2023	2022	2021
PARKS DEPARTMENT					
Number of parks maintained	86	86	85	85	85
Park acreage	1,313	1,313	1,311	1,307	1,307
Number of golf courses	4	4	4	4	4
Number of swimming pools	6	6	6	6	6
Number of splash pads	19	19	19	19	19
Number of tennis courts	39	39	39	39	39
Number of basketball courts	36	36	36	36	36
Number of athletic fields	82	82	82	82	82
Number of skate parks	3	3	3	3	3
Number of BMX bike tracks	1	1	1	1	1
Park trails (miles)	42	42	42	42	42
Aquatic center admissions	108,614	136,696	127,907	144,440	61,652
Recreation program registrants	18,902	18,439	23,492	22,246	13,214
Golf rounds	199,178	190,231	177,672	172,172	178,634
Riverfront Park attraction attendees	237,380	242,340	234,054	249,291	214,387
Sports complex field rentals (hours)	17,057	13,726	13,411	13,596	12,577
LIBRARY DEPARTMENT					
Number of libraries	8	7	7	7	7
Number of library patron visits	1,330,861	1,266,849	1,149,275	629,389	181,645
Number of volumes in library collection	251,436	293,982	264,662	269,898	265,972
Number of volumes borrowed	1,263,781	1,141,109	1,241,191	1,172,466	1,180,668

Source: City of Spokane Accounting

Operating Information

Schedule 26 - Operating and Capital Asset Indicators by Function

Culture and Recreation

Last Ten Fiscal Years

concluded

	2020	2019	2018	2017	2016
PARKS DEPARTMENT					
Number of parks maintained	85	84	84	84	84
Park acreage	1,285	1,285	1,285	1,285	1,285
Number of golf courses	4	4	4	4	4
Number of swimming pools	6	6	6	6	6
Number of splash pads	19	17	17	17	17
Number of tennis courts	39	41	41	41	41
Number of basketball courts	36	39	39	39	39
Number of athletic fields	82	75	74	74	74
Number of skate parks	3	2	2	2	2
Number of BMX bike tracks	1	1	1	1	1
Park trails (miles)	42	36	35	35	33
Aquatic center admissions	-	126,958	117,000	117,000	112,977
Recreation program registrants	4,763	20,170	9,847	9,847	10,257
Golf rounds	143,841	128,714	131,706	131,706	145,960
Riverfront Park attraction attendees	82,199	331,470	42,469	42,469	527,111
Sports complex field rentals (hours)	2,890	15,400	22,121	22,121	14,261
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	165,163	944,232	907,618	907,618	968,415
Number of volumes in library collection	285,356	331,225	402,819	402,819	405,682
Number of volumes borrowed	1,049,686	1,873,755	2,039,532	2,039,532	2,312,176

Source: City of Spokane Accounting

Ongoing Continuing Compliance

Ongoing Continuing Compliance
Schedule A

City of Spokane
General Fund Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance
2021-2025
Years ending December 31

			Audited		
	2025	2024	2023	2022	2021
REVENUES					
Taxes	226,623,975	216,713,093	208,529,821	193,115,455	187,614,232
Licenses and permits	8,712,170	8,572,000	8,089,152	7,829,407	7,165,988
Intergovernmental	5,950,425	4,441,572	4,953,159	4,877,662	5,106,848
Charges for services	28,698,270	29,247,774	26,822,712	24,590,784	21,615,809
Fines and forfeitures	1,696,083	1,302,655	1,684,862	-	1,891,820
Miscellaneous	5,832,761	11,695,472	8,700,639	4,774,701	3,626,125
Net inc(dec) in market value of investments	731,004	363,080	14,235,560	(16,816,049)	(4,961,486)
Total Revenues	278,244,688	272,335,646	273,015,905	218,371,960	222,059,336
EXPENDITURES					
Current:					
General government	33,473,753	42,643,515	37,757,424	34,612,594	34,013,856
Public safety	192,469,720	170,767,463	158,011,907	145,057,544	129,571,773
Transportation	9,209,865	7,662,272	7,189,863	7,019,918	6,667,869
Economic environment	9,163,822	8,112,103	8,928,369	7,319,723	5,866,753
Social services[1]	1,412,273	2,855,313	3,304,213	3,454,571	2,881,444
Culture and recreation	13,606,632	13,761,836	12,226,552	10,059,091	9,630,489
Capital outlays	1,895,292	2,049,472	2,358,281	5,204,078	2,324,057
Debt service:					
Principal	316,010	322,529	335,113	158,235	-
Interest	60,416	58,890	53,291	48,187	2,522
Total Expenditures	261,607,783	248,233,393	230,165,013	212,933,941	190,958,763
Excess of Revenues Over (Under) Expenditures	16,636,905	24,102,253	42,850,892	5,438,019	31,100,573
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	6,617	13,256	66,265	77,466	118,519
Proceeds of bonds issued	-	-	-	-	-
Lease proceeds	74,183	-	93,226	3,559,057	-
Subscription proceeds	-	95,200	303,362	-	-
Payment to Escrow agent for refunded bond debt	-	-	-	-	-
Transfers in	12,999,429	11,023,885	7,563,691	6,908,184	151,156
Transfers out	(35,039,624)	(33,435,472)	(38,140,829)	(40,647,426)	(38,797,472)
Total Other Financing Sources (Uses)	(21,959,395)	(22,303,131)	(30,114,285)	(30,102,719)	(38,527,797)
Change in Fund Balance	(5,322,490)	1,799,122	12,736,607	(24,664,700)	(7,427,224)
Other Changes in Fund Balance					
Restatement	3,614,765	9,229,680	-	-	-
Prior period adjustment	-	-	(1,550,551)	(3,637,101)	-
Fund Balance - beginning (restated)	42,613,943	40,814,821	29,628,765	52,743,051	60,170,275
Fund Balance - ending	37,291,453	42,613,943	40,814,821	28,078,351	52,743,051

Note: Prior year balances restated in accordance with GASB standards.

Source: City of Spokane

Ongoing Continuing Compliance
Schedule B

City of Spokane
General Fund Comparative Balance Sheet
2021-2025
Years ending December 31

	Audited				
	2025	2024	2023	2022	2021
ASSETS					
Cash and cash equivalents	1,044,343	2,080,899	1,319,832	4,579,243	11,750,817
Deposits with fiscal agents/trustees	-	-	-	10,226	10,226
Equity in pooled investments	8,164,454	11,876,557	7,419,633	(101,121)	15,076,023
Taxes receivable	18,319,576	19,080,298	18,379,482	16,820,726	16,354,885
Accounts receivable	1,844,382	1,549,423	2,109,786	1,510,683	3,152,443
Interest receivable	68,457	925,780	194,752	2,579,892	491,245
Due from other funds	14,911,406	9,629,521	16,712,248	7,947,738	7,553,651
Interfund loan receivable	9,331,191	9,925,443	5,319,351	7,546,050	9,898,153
Lease receivable	12,958,431	13,612,893	13,620,436	12,521,775	-
Lease interest receivable	20,424	1,095	-	-	-
Due from other governments	1,297,860	1,430,917	1,271	1,321,547	464,405
Advances to other funds	653,917	813,448	1,422,590	1,163,413	2,709,141
Inventory	-	-	733,465	-	-
Prepaid	27,612	5,924	4,995	10,511	7,000
Notes/contracts receivable (non current)	698	698	698	698	-
Total Assets	68,642,751	70,932,896	67,238,539	55,911,381	67,467,989
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	4,948,361	4,048,413	4,178,026	4,004,431	4,664,873
Due to other funds	5,429,833	2,941,195	1,620,292	5,207,779	676,368
Due to other governments	22,579	3,328	1,831	279,131	279,131
Interfund loan payable	-	-	-	-	-
Accrued payroll liabilities	6,111,174	4,948,333	4,808,328	3,721,959	7,014,038
Other current liabilities	921,178	1,401,055	866,874	754,838	575,832
Revenues collected in advance	-	-	25,000	25,000	-
Total Liabilities	17,433,125	13,342,324	11,500,351	13,993,138	13,210,242
Property taxes	2,006,420	2,157,108	1,833,824	1,545,859	1,514,696
Leases	11,911,753	12,819,521	13,089,543	12,294,033	-
Deferred Inflows	13,918,173	14,976,629	14,923,367	13,839,892	1,514,696
Fund Balance					
Nonspendable	681,529	819,372	738,460	1,173,924	2,716,141
Restricted for:					
Capital projects	-	-	-	-	-
Grants	216,345	199,089	203,728	188,261	202,524
Committed	-	-	-	-	-
Assigned	5,692,584	13,166,874	39,872,633	26,716,166	26,830,915
Unassigned	30,700,995	28,428,608	-	-	22,993,471
Total Fund Balance	37,291,453	42,613,943	40,814,821	28,078,351	52,743,051

Note: Prior year balances restated in accordance with GASB standards.

Source: City of Spokane

Ongoing Continuing Compliance
Schedule C

City of Spokane
Water/Wastewater System
Historical Operating Results (in thousands)
2021-2025

	Audited				
	2025	2024	2023	2022	2021
Operating Revenues					
Charges for services	186,308	175,980	170,129	162,616	161,813
Total Operating Revenues	186,308	175,980	170,129	162,616	161,813
Operating Expenses					
Salaries and wages	36,337	33,589	34,077	29,083	27,091
Personnel benefits	10,807	10,402	10,068	9,386	8,519
Supplies	11,559	11,094	11,480	9,068	6,999
Other services and charges	88,525	81,442	72,411	62,435	61,927
Depreciation	34,642	34,132	33,022	32,768	29,612
Risk transfer payments	768	260	778	694	634
Total Operating Expenses	182,640	170,919	161,835	143,434	134,782
Operating Income (Loss)	3,668	5,061	8,294	19,182	27,031
Nonoperating Revenues & Expenses					
Interest income	4,479	1,258	(2,201)	1,093	520
Gain(Loss) on disposition of fixed assets	37	(150)	(279)	(119)	(20)
Interest expense	(5,859)	(6,286)	(5,530)	(5,913)	(6,500)
Other non-operating revenue	4,356	3,591	20,913	559	165
Total Nonoperating Revenue (Expense)	3,012	(1,587)	12,903	(4,379)	(5,836)
Income(Loss) before contributions & transfers	6,680	3,474	21,197	14,802	21,195
Capital contributions	34,093	20,587	12,057	12,032	12,578
Transfers in	-	-	57	-	731
Transfers out	(1,089)	(803)	(6,098)	(5,905)	(7,132)
Change in Net Position	39,685	23,258	27,213	20,929	27,373
Restatement	4,173	(1,280)	120	-	-
Prior period adjustment	-	-	-	(500)	(5,104)
Change in accounting principle (GASB 75)	-	-	-	-	-
Net Position - beginning (restated)	833,640	810,382	776,999	756,070	728,915
Net Position - ending	873,325	833,640	804,212	776,999	756,288
Debt Service Calculation Adjustments					
Gross Revenues	195,179	180,679	188,563	164,149	162,477
Less: Operating Expenses	147,998	136,787	128,814	110,666	105,170
Amount available for debt service	47,182	43,892	59,749	53,483	57,307
Debt service amount-principal	9,185	8,750	8,330	7,935	7,555
Debt service amount-interest	4,364	4,802	5,218	5,615	5,993
Debt service ratio	3.48	3.24	4.41	3.95	4.23

Note: Prior year balances restated in accordance with GASB standards.

Source: City of Spokane

Ongoing Continuing Compliance
Schedule D

City of Spokane
Water/Wastewater System
Balance Sheet (in thousands)
2021-2025

	Audited				
	2025	2024	2023	2022	2021
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 7,106	$ 4,804	$ 3,953	$ 8,123	$ 28,579
Deposits with fiscal agents/trustees	-	-	-	51	51
Equity in pooled investments	58,962	53,845	51,061	59,679	41,399
Accounts receivable	18,967	18,308	30,587	18,932	18,824
Interest receivable	34	30	62	85	64
Due from other funds	1,187	935	997	825	660
Interfund loan receivable	2,811	5,099	1,703	1,501	1,657
Due from other governments	3,866	2,816	5,373	5,402	4,334
Inventories	8,631	7,728	5,501	4,740	3,864
Prepayments	13	88	162	-	-
Equity in pooled investments, restricted	9,645	11,187	10,753	10,141	9,582
Total Current Assets	111,223	104,841	110,150	109,479	109,015
Noncurrent Assets:					
Land	12,627	12,523	12,523	12,523	12,496
Construction in progress	46,450	22,923	36,946	40,820	19,952
Property, plant, & equipment	639,959	629,115	603,858	584,311	586,844
Infrastructure	934,357	906,303	868,013	823,830	800,215
Intangible assets	114	114	114	114	114
Right-to-use leased property, plant, equipment	19	57	57	38	-
Less accumulated depreciation	(583,319)	(551,282)	(521,975)	(490,643)	(464,438)
Total Capital Assets	1,050,208	1,019,752	999,536	970,993	955,183
Other Noncurrent Assets:					
Other noncurrent assets/deferred amts	-	-	-	-	-
Advances to other funds	5,260	6,327	4,218	4,751	6,921
Total Noncurrent Assets	5,260	6,327	4,218	4,751	6,921
Total Assets	1,166,691	1,130,920	1,113,904	1,085,222	1,071,119
Deferred outflows of resources-pensions and OPEB	11,757	16,672	21,178	4,005	6,993
Total Deferred Outflows	11,757	16,672	21,178	4,005	6,993
Current Liabilities:					
Accounts payable	4,130	3,305	5,539	3,677	2,687
Bonds payable	9,645	9,185	8,750	8,494	7,935
Unamortized premium on bonds payable	392	586	2,003	1,647	1,647
Compensated absences	531	479	268	277	254
Lease payable	1	17	19	12	-
Lease interest payable	-	0	0	0	-
Due to other funds	7,552	6,567	6,866	4,453	5,786
Due to other governments	7,683	7,541	6,834	6,315	5,712
Total opeb liability	64	66	62	58	55
Accrued interest	594	639	625	586	556
Accrued payroll liabilities	1,368	1,153	1,038	887	1,286
Other current liabilities	893	867	891	918	886
Total Current Liabilities	32,854	30,404	32,896	27,323	26,803
Noncurrent Liabilities:					
Bonds payable	91,480	101,125	110,310	117,249	127,390
Unamortized premium on revenue bonds	1,614	2,006	7,551	11,364	11,364
Due to other governments	106,204	106,193	103,419	101,813	94,486
Revenues collected in advance	-	-	-	-	-
Compensated absences	8,583	7,823	7,477	4,430	4,113
Lease payable	-	1	17	22	-
Net pension liability	57,007	57,680	61,203	36,162	41,313
Total opeb liability	1,813	1,879	1,663	1,956	1,720
Total Noncurrent Liabilities	266,701	276,708	291,640	272,998	280,386
Total Liabilities	299,554	307,112	324,535	300,321	307,189
Deferred inflows of resources-pensions and OPEB	5,569	6,840	6,335	11,892	14,609
Sale of future revenue	-	-	-	15	25
Total Deferred Inflows	5,569	6,840	6,335	11,907	14,635
Net Position					
Net investments in capital assets	833,370	788,177	760,634	724,076	706,649
Unrestricted	39,955	45,463	43,579	52,924	49,639
Total Net Position	$ 873,325	$ 833,640	$ 804,212	$ 776,999	$ 756,288

Note: Prior year balances restated in accordance with GASB standards.

Source: City of Spokane

Ongoing Continuing Compliance
Ad Valorem taxes

The following table shows the City's collection record for *ad valorem* taxes for the last fifteen years.

Tax Collection Record

Tax Year	Amount of Tax Levy					Tax Collected in Year of Levy		Tax Collected as of 12/31/2025	
	Regular	EMS	Bond	Senior Lift	Total	Amount	%	Amount	%
2025	70,732,863	17,607,057	10,848,037	7,074,407	106,262,363	105,334,930	99.13%	104,294,744	98.15%
2024	68,391,097	17,318,372	10,465,584	6,975,439	103,150,493	101,073,375	97.99%	102,615,147	99.48%
2023	66,855,278	16,866,797	10,067,750	6,814,727	100,604,552	98,747,866	98.15%	100,379,697	99.78%
2022	65,140,049	9,446,457	9,035,794	6,607,878	90,230,178	88,704,777	98.31%	90,197,356	99.96%
2021	63,663,347	9,223,808	9,313,903	6,470,000	88,671,058	86,990,670	98.10%	88,663,881	99.99%
2020	62,273,361	9,007,757	9,007,455	6,330,886	86,619,459	82,768,219	95.55%	86,610,896	99.99%
2019	61,319,092	8,876,730	8,321,126	-	78,516,949	77,058,514	98.14%	78,513,087	100.00%
2018	59,028,539	8,550,595	5,529,921	-	73,109,055	71,536,266	97.85%	73,107,528	100.00%
2017	57,751,977	8,335,583	5,509,818	-	71,597,378	70,071,280	97.87%	71,595,991	100.00%
2016	56,179,935	7,846,266	5,760,653	-	69,786,854	68,253,133	97.80%	69,785,498	100.00%
2015	55,306,119	7,681,405	5,244,668	-	68,232,192	66,882,290	98.02%	68,231,083	100.00%
2014	45,314,925	7,477,436	13,162,046	-	65,954,407	64,613,410	97.97%	65,953,311	100.00%

Source: Spokane County